



CITY OF WILLIAMSBURG

Department of Finance

November 20, 2006

To the Honorable Mayor, Members of City Council, and Citizens of the City of Williamsburg:

The Comprehensive Annual Financial Report (CAFR) of the City of Williamsburg, Virginia for the fiscal year ended June 30, 2006, is submitted herewith in accordance with Section 15.2-2511 of the Code of Virginia. This report was prepared by the City's Department of Finance. This report is designed in a manner to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs are included.

This report meets all governmental accounting and financial reporting requirements of statements, interpretations and technical bulletins issued by the Governmental Accounting Standards Board (GASB). The GASB issues new financial reporting guidelines on a continual basis, covering a wide range of topics for financial statement presentation. This report complies with all recent releases of the GASB, and will continue to do so in order to comply with all applicable financial reporting requirements. This report is in full compliance for the fifth year with the requirements of GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Robinson, Farmer, Cox Associates, a firm of licensed certified public accountants. This is the first year of a multi-year contract for professional auditing services with this firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2006, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Williamsburg financial statements for the fiscal year ended June 30, 2006, are fairly presented in conformity with generally accepted accounting principals (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

The City

The City of Williamsburg was established by the General Assembly of the Commonwealth of Virginia in 1699 and was incorporated by British Royal Charter in 1722. Today, it operates under the Council-Manager form of government substantially as established in the City Charter of 1932, and as an independent city under the Constitution and laws of the Commonwealth of Virginia. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and four other members. The City Council is responsible, among other things, for passing ordinances,

adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The City Council members serve four-year staggered terms. The Mayor is chosen from among City Council members every two years.

Williamsburg encompasses some nine square miles located between the James and York Rivers on the Virginia Peninsula in Southeastern Virginia. The 2000 U.S. Census showed Williamsburg with a population of 11,998. The latest population figures presented by the Weldon Cooper Center for Public Service at the University of Virginia put the City's current population at 13,400.

The City is home to two premier institutions: the College of William & Mary, established in 1693, and the Colonial Williamsburg Foundation recreating the days when Williamsburg was the Capital of Colonial Virginia, 1699 to 1780.

The financial reporting entity includes all the funds of the City of Williamsburg. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. As such, the City has no component units (legally separate entities for which the City as primary government is financially accountable).

The City provides the full range of municipal services contemplated by Charter on a continuing basis. These services include public safety, (police, fire and emergency medical services, parking garage), public works, (street construction and maintenance, engineering, refuse collection), planning and zoning, building inspections, human services, library, parks and recreation, and general administrative services. In addition, the City water and sewer services are provided under an Enterprise Fund concept, with user charges set by City Council to ensure adequate coverage of operating and capital expenses.

The annual budget serves as the foundation for the City's financial planning and control. The budget process defines, communicates, and funds the City's programs and priorities. The completed budget is City Council's road map, and a primary management tool for the City Manager and Department Heads. The annual Budget Guide is a formal call for all departments of the City, and agencies associated with it, to prepare and submit an estimate of the resources required for the next fiscal year. It includes a set of procedures for building a comprehensive budget for the City Manager to submit to City Council in March of each year. It also serves as a mid-year review to identify adjustments necessary to the current year budget. City Council is required to hold public hearings on the proposed budget and tax rates, and to adopt a final budget by no later than June 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function (e.g., public works), and department (e.g., streets). Department heads may make transfers of appropriations within a department, with the approval of the City Manager. Budget amendments requiring changes in total fund appropriations require special approval of City Council, and possibly a public hearing. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented in the fund financial statements section.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

The Williamsburg Economy - The economy of the City of Williamsburg is propelled by tourism and education. Tourism – including major attractions and the hospitality industry – continues to provide the most significant source of tax base for the city government. In FY 2006, retail sales in the city totaled \$430 million, and the assessed value of taxable real property totaled \$1.3 billion. Within the city limits are 47 hotels/motels, 36 bed and breakfasts, and 85 restaurants.

The lynch pin of tourism is Colonial Williamsburg Foundation which operates the nation's most extensive living history museum. Encompassing 578 restored or reconstructed buildings and employing approximately 3,000, the Foundation interprets the 18th century history of America in Virginia's colonial capital. Other nearby attractions not located in the city include Jamestown (site of the first permanent English settlement in 1607), Yorktown (site of Washington's victory over Cornwallis in the Revolutionary War), and Busch Gardens and Water Country USA theme parks. These attractions draw a conservatively estimated 4 million ticketed visitors annually. Next to tourism, higher education drives the Williamsburg economy. The College of William and Mary, located within the city, is the nation's second

oldest university. The College owns 18.3% of the land area of the city, enrolls 7,709 students, and employs 3,284 faculty and staff.

Economic Development Activity – This year City Council met its goal of returning the City's 55-acre commercial site on Richmond Road and Ironbound Roads to the private sector for development of a regional shopping complex. Phase I of the High Street Williamsburg project began in May 2006 with a \$9.2 Million sale to Roseland Property Company. The project is adjacent to the Richmond Road business corridor as a lifestyle retail center of nearly 250,000 square feet and 500 residential units.

The City, working together with the Virginia Department of Transportation (VDOT) completed the reconstruction of Richmond Road from Brooks to New Hope, and is nearing completion of the extension of Treyburn Drive. These public roads support the development of the High Street property and redevelopment along Richmond Road.

Riverside Health System continues with its plans for Quarterpath at Williamsburg, a mixed-use development in the southeast quadrant of the City, and is anticipated as the largest in the City's history. As part of this project, Riverside Health System plans to build Doctor's Hospital, a state-of-the-art acute care facility, with an Emergency Department, between the intersections of Rt. 199, Quarterpath Road and Rt. 60.

In August 2005, the City hired its first Economic Development Manager, and in March 2006, City Council adopted its first Economic Development Strategic Plan, with the following five goals:

1. Existing businesses grow and prosper in the City, and Williamsburg's hospitality industry prospers during and after the Commemoration events of 2007.
2. The economy of the City is more diversified, building on its current strengths in retail trade, tourism/hospitality and education, while growing emerging areas of cultural arts, research/development, and professional service offices.
3. Williamsburg is known for its positive business environment.
4. The infrastructure (parking, technology, sidewalks, water, sewer, streets) of Williamsburg supports the growth of quality business in the City.
5. Williamsburg maintains a high quality sense of place that appeals to citizens, students, and visitors. Williamsburg remains a specialty entertainment, cultural, and retail center of the Historic Triangle.

The Economic Development Manager works towards these goals by implementing an existing business program, new business recruitment, and promotion of the city as a business location.

Many new businesses have opened in the City during the year. Yankee Candle Company opened one of its largest stores on Richmond Road in November, 2005, in time for the holiday season. The site plan for this 65,000 square foot retail store is designed to accommodate space for three free-standing restaurants adjacent to the building at a future point. During the year Carraba's Grill began construction of an Italian restaurant on one of the sites. Walgreen's also began construction of a new store at the intersection of Richmond Road and Lafayette Street in January, 2006. At that same intersection Chesapeake Bank began construction in March 2006 of a new headquarters office next to their existing building. Patriot Chevrolet expanded their business on Second Street in November, and is now also using the space across the street formerly occupied by Williamsburg Ford. A new timeshare development is on the drawing board at the intersection of Penniman and Capitol Landing Road. Most significantly, Colonial Williamsburg Foundation reopened the Williamsburg Lodge Conference Center in October, 2006, providing the City with an exquisite, state-of-the-art meeting and lodging facility. It is clear that business investment in the City is on the upswing, and we are optimistic that the trend will continue.

Financial Strategy - The City of Williamsburg takes pride in providing a high level of public services to its residents at a reasonable cost. The real estate tax rate of 54¢ per \$100 of assessed value has been in effect since FY 1991, and remains one of the lowest city tax rates in the Commonwealth of Virginia. The City still relies heavily on room and meal taxes to provide the largest source of funding for its services, although the City has been experiencing a growing reliance on real estate property taxes over the past several years. Room and Meal taxes accounted for 32.8% of the General Fund operating revenues for FY 2006, compared to 39.7% in FY 2000¹. Real estate taxes made up for 19.9% of total revenues in FY 2000, compared to 25.2% in FY 2006. This shifting of tax base is more pronounced when comparing actual tax revenues. Room and meal taxes increased from \$9.2 Million to \$9.4 Million, a 2.3% increase. Real estate taxes increased from \$4.5 Million in FY 2000 to \$7.2 Million in FY 2006, a 59% increase over the

¹ Not including the \$2/night lodging tax, which is dedicated for tourism promotion.

same period. The FY 2006 real estate tax base increased by 11.3% from last year. This is largely attributable to a strong and desirable local housing market, recent low interest rates, and new construction in the City.

The City's total personal property tax base has experienced an average increase of 3.2% over the last five years. Further analysis of growth trends for personal property taxes is included in Management's Discussion and Analysis.

We believe that business growth and economic development initiatives mentioned above, along with investment by new and existing businesses in the City, will help to strengthen the City's real estate, personal property, and retail sales tax bases in the next few years. In the meantime the City will continue to provide the type and quality of services our residents are accustomed to, and at relatively low tax rates.

Even though there is an ongoing shift in the tax base, the City continues to rely heavily on tourism revenues. There is growing concern, especially the last few years, of the rising level of retail competition in the two adjacent counties. Room tax receipts during FY 2006 were \$3.79 Million, up 2.5% from FY 2005. Meal tax receipts during the year were \$5.60 Million, up 4.3% from last year. Competition of hotels, restaurants, and the retail trade in the Williamsburg area is strong, with many new businesses opening outside the City, as the neighboring counties continue to grow. The City's local retail sales tax receipts of \$4.30 Million for FY 2006 were up only 2.0% from last year, while neighboring counties experienced much stronger growth. The City continues working to build the region's travel and tourism-based economy as its primary fiscal strategy. We continue to strongly believe in the importance of tourism in Williamsburg. City Council realizes the importance of tourism and partners each year with the Colonial Williamsburg Foundation and the Greater Williamsburg Chamber and Tourism Alliance, providing substantial funding for advertising. Contributions to these organizations during FY 2006 totaled \$2.16 Million. City Council also approved, along with neighboring counties of James City and York, a \$2 per night lodging tax effective July 1, 2004. This tax generated \$1.56 Million in the City during FY 2006, and was remitted monthly to the Williamsburg Area Destination Marketing Committee for tourism marketing of the Historic Triangle.

City staff has formulated financing strategies over the past few years with the City's financial advisors, Davenport and Co., LLC., in order to stay on schedule with major projects. In FY 2004 City Council formally amended the City's financial policies, which included maintaining a minimum of 35% of total General Fund operating revenues as its fund balance.

Cash Management - City Council adopted formal and strict guidelines governing investment policy and procedures in 1995. The investment policy was last revised in December, 2003 to take advantage of opportunities in the marketplace to achieve more favorable yields without risking safety or liquidity. Cash temporarily idle during the year was invested by advisors Evergreen Investments, a subsidiary of Wachovia Bank, and the Local Government Investment Pool (LGIP) administered by the State Treasurer's office. The policy's objective, in order of priority is (1) Safety, (2) Liquidity, and (3) Return on Investment. Allowable investments and quality approved for use by the City are:

1. U.S. Treasury Bills, Notes, Bonds and other obligations of the U.S. Government
2. Fixed rate obligations of Agencies of the Federal Government
3. Obligations of states and local governments with AAA or equivalent bond ratings
4. Repurchase Agreements executed through Federal Reserve Member Banks or Primary Dealers in U.S. Government Securities, and meeting certain minimum collateralization guidelines
5. Certificates of deposit of national banks located within the Commonwealth
6. Various types of other notes (commercial paper, corporate notes and bonds, asset-backed securities, etc.) meeting certain minimum quality standards of investment rating companies

The average investment return on the longer-term portfolio was 3.81% for the year, while the LGIP, being that the dollar weighted average maturity of the portfolio may not exceed 90 days, averaged 4.14% for the year.

Risk Management - The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of the Virginia Municipal Liability Pool, administered by the Virginia Municipal Self Insurance Association and the Virginia Municipal League. This program provides self-insurance coverage for workers' compensation, general liability, automobile liability, property and fire protection, and public officials' liability and law enforcement liability (except for elected officials).

The City has a self-insurance plan for its employee health insurance coverage. Claims expenditures and liabilities are

reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Details of the health insurance program are provided in the Notes to the Financial Statements.

The City initiated a retirees' health insurance supplement program effective January 1, 2002. Currently 30 retirees enjoy this benefit. Details of this program are presented in the Notes to the Financial Statements.

The City currently reports all of its risk management activities in the General Fund and Utility Fund.

Independent Audit

The State Code of the Commonwealth of Virginia requires an annual audit of the books of account, financial records, and transactions of the City. This requirement has been complied with and the unqualified opinion of Robinson, Farmer, Cox Associates, independent certified public accountants, has been included in this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Williamsburg, Virginia, for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005. This was the 20th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the past 13 years. In order to qualify for the Distinguished Budget Presentation Award, the City's Budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgements

The preparation of this report has been accomplished with the efficient and dedicated services of the City Department of Finance. We would like to express our appreciation to all members of the departments who assisted and contributed in its preparation. In addition, the accounting firm of Robinson, Farmer, Cox Associates, is to be congratulated for their substantial contributions, by way of design, counsel, and interpretation of recent guidelines, planning, and implementation of the requirements of all GASB standards. We also wish to express thanks to the Mayor and members of City Council for their unfailing support in planning and conducting the financial operations of the City of Williamsburg in a responsible and progressive manner.

Respectfully Submitted,



Jackson C. Tuttle
City Manager



Philip F. Serra
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Williamsburg,
Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Carla E. Perry

President

Jeffrey R. Emen

Executive Director

CITY OF WILLIAMSBURG, VIRGINIA

June 30, 2006

CITY COUNCIL

Jeanne Zeidler	Mayor
Clyde A. Haulman	Vice Mayor
Robert A Braxton	Member
Mickey P. Chohany	Member
Paul T. Freiling	Member
Shelia Crist	Clerk of Council

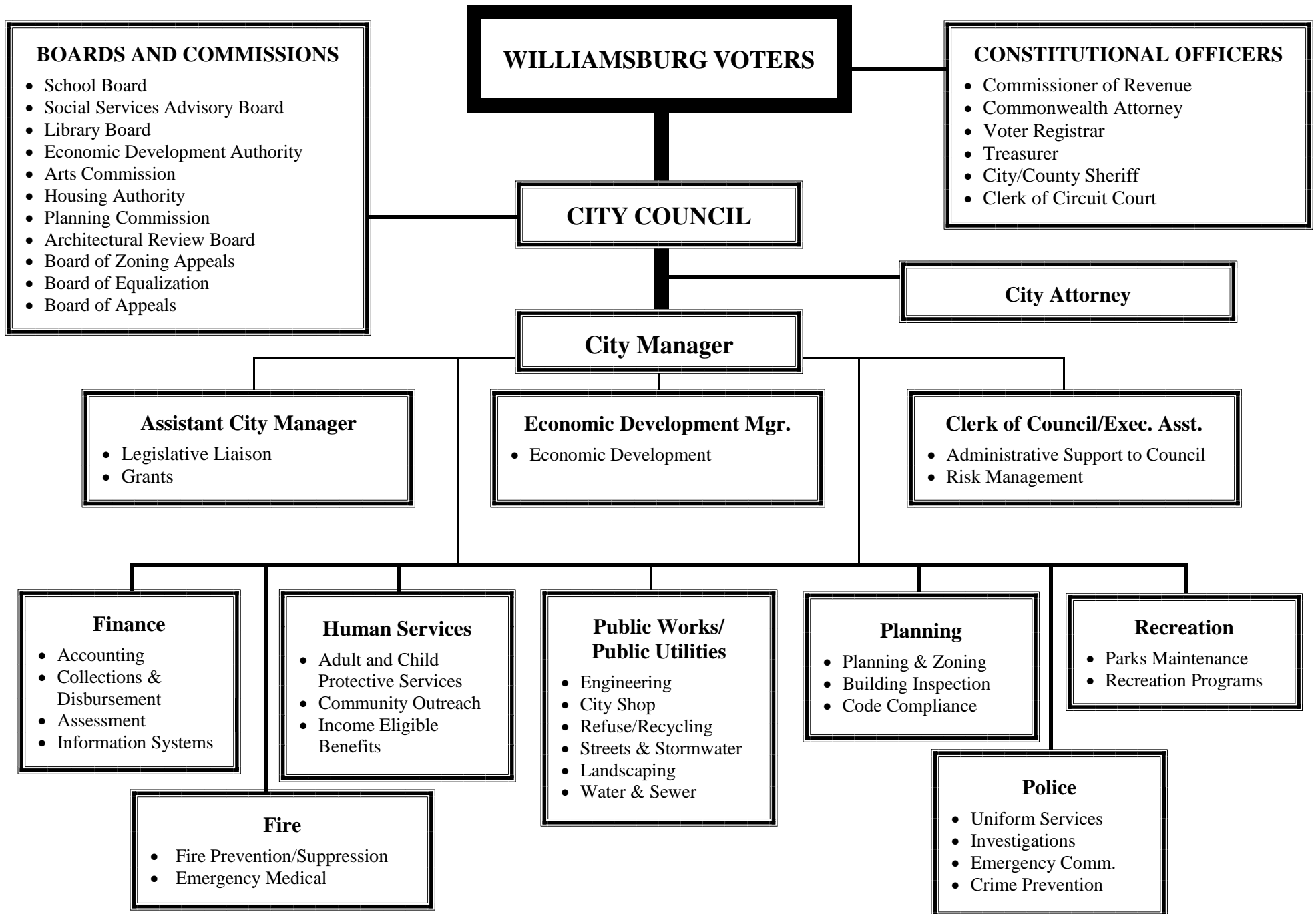
OFFICIALS

Jackson C. Tuttle, II	City Manager
Philip F. Serra	Director of Finance
Judy Nightengale Fuqua	Commissioner of the Revenue
M. Ann Davis	Treasurer
Joseph F. Phillips	Commonwealth Attorney
Robert Deeds	Sheriff
Betsy Woolridge	Clerk of the Circuit Court
Jodi M. Miller	Assistant City Manager
Daniel G. Clayton, III	Director of Public Works & Utilities
James M. Yost	Police Chief
Terrill K. Weiler	Fire Chief
R. Paul Hudson	Director of Recreation
Reed T. Nester	Director of Planning
Peter P. Walentisch	Director of Human Services

INDEPENDENT AUDITORS

Robinson, Farmer, Cox Associates

CITY OF WILLIAMSBURG - ORGANIZATION



The Management's Discussion and Analysis (MD&A) offers readers of the City's financial statements a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2006. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, and in the financial statements and notes to the financial statements (which immediately follow this discussion). This Comprehensive Annual Financial Report marks the fifth year the City has complied with the financial reporting requirements of GASB Statement No. 34 (*Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*). New sections include this Management's Discussion and Analysis, the Government-wide Statement of Net Assets, the Government-wide Statement of Activities, the concept of major fund reporting, and the reporting of infrastructure capital assets and long term debt liabilities in the governmental activities. These concepts are explained throughout this discussion and analysis. Additionally, the requirements of GASB Statement 44 (*Economic Condition Reporting: The Statistical Section—an amendment of NCGA Statement 1*) have been included this year with more detailed information, typically in 10-year trends, to assist users in utilizing the financial information, notes to basic financial statements, and required supplementary information to assess the economic condition of the City of Williamsburg.

FINANCIAL HIGHLIGHTS

- The assets of the City of Williamsburg exceeded its liabilities at June 30, 2006 by \$91.0 Million. Net assets invested in capital assets (net of depreciation and related debt) account for 58.7% of this amount, with a value of \$53.5 Million. The remaining net assets may be used to meet the government's ongoing obligations to citizens and creditors, without legal restriction.
- Total General Fund (including 1% Sales Tax) revenues were \$36.8 Million for FY 2006, compared to \$33 Million last year, which includes reclassification of \$1.4 Million in reimbursements from VDOT during the year for road construction. General property tax receipts were \$9.2 Million, and adding State reimbursements for the CarTax relief program during the year of \$830,831, which this year are reclassified as State aid, brings property tax receipts to \$10.0 Million, up 8.6% from last year. Other local taxes were up 2.6%, largely from increases in room, meal, 1% sales, and recordation taxes.
- Total General Fund expenditures (including capital) totaled \$40.4 Million for FY 2006, significantly higher than last year's \$31.5 Million. FY 2006 expenditures include continued spending for planned capital projects, and also principal retirement of a bond which was refinanced and paid in July 2005.
- In April, 2005 the City issued an \$8.5 Million bank-qualified bond, of which \$4.5 Million was used to permanently finance a short-term note in the same amount previously used for construction of the Prince George Parking Garage. The short-term note was paid in July 2005. The remaining \$4 Million was borrowed for the City's share of construction costs of Warhill High School. Bond proceeds earn interest in the Virginia SNAP program, and payments were made throughout the year as school construction continued. The balance of bond proceeds, including interest earnings, was \$2.87 Million at June 30, 2006, and will continue to be drawn down to pay for the City's share of school construction over the next year.
- As of June 30, 2006, the City's governmental activities reported a combined ending fund balance of \$32.5 Million. This amount is available for spending at the government's discretion (*unreserved fund balance*). Of this total, \$13.97 Million is designated for subsequent years' capital expenditures, including the City's share of remaining construction costs of Warhill High School.
- Business-type activities (Utility Fund) reported net assets at June 30, 2006 of \$15.2 Million. Net assets invested in capital assets (net of depreciation and related debt) account for 64.2% of this amount, with the remaining net assets of \$5.5 Million available without restriction. The Utility Fund reports combined cash and investments at year-end of \$5.1 Million, with total short-term liabilities of \$6.4 Million. The short-term bond of \$5.8 Million refinanced last year for the Royals Property is due in January 2007, and proceeds from the pending sale of the property will retire the debt at that time.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Williamsburg's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and budgetary comparison, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

There are two government-wide financial statements, which are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, judicial, public safety, public works, health and welfare, education, parks and recreation, cultural, community development, and debt service. The sole business-type activity of the City of Williamsburg is the water utility.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, this is just one indicator of financial health of the City. Other indicators include the condition of the City's infrastructure systems (roads, drainage systems, bridges, etc.), changes in property tax base, and general economic conditions within the City.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on taxes for funding. All changes in net assets are reported using the accrual basis of accounting, similar to the method used by most private-sector companies. The accrual basis of accounting requires that revenues be reported when they are earned and expenses are reported when the goods and services are received, regardless of the timing of the cash flow. Items such as uncollected taxes, unpaid vendor invoices for items received in June 30, 2006, and earned but unused vacation and sick leave will be included in the statement of activities as revenue and expense, even though the cash associated with these items will not be received or distributed until after June 30, 2006.

The City has no separately identified component units included in the government-wide financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Williamsburg, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Williamsburg can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Governmental Funds are used to account for most, if not all, of a government's tax-supported activities. Proprietary Funds are used to account for a government's business type activities, where all or part of the costs of activities are supported by fees and charges that are paid directly by those who benefit from the activities. Fiduciary Funds are used to account for resources that are held by the government as a trustee or agent for parties outside of the government. The resources of fiduciary funds cannot be used to support the government's own programs.

Governmental Funds. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances present separate columns of financial data for the General Fund. (GASB Statement No. 34 defines a major fund as a fund whose assets, liabilities,

revenues or expenditures comprise: 1) at least 10% of the total dollar amount of the same category within either all government or all enterprise funds, as appropriate; and, 2) at least 5% of the total dollar amount of all governmental and enterprise funds combined for the same category. The General Fund is always considered a major fund.) The governmental fund financial statements can be found immediately following the government-wide financial statements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements' use of accrual accounting, governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements in comparison to near-term resources available.

Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to the governmental activities column in the government-wide statements, in order to facilitate this comparison.

The City maintains budgetary controls over its operating funds. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Budgets for governmental funds are established in accordance with state law, and are adopted on a fund level. Personal services are budgeted by fulltime positions. Capital outlays are approved on an item-by-item basis or project basis. A budgetary comparison statement is provided for the General Fund to demonstrate compliance with the budget. Major fund budgetary variance statements are included with the basic financial statements. Nonmajor fund information follows the notes to the financial statements. Budgetary variances for the General Fund are discussed in some detail later in this section.

Proprietary Funds. The City maintains one type of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water utility operations.

Proprietary fund statements follow the governmental fund statements in this report. They provide the same type of information as the government-wide financial statements, only in more detail, since both apply the accrual basis of accounting. The proprietary fund financial statements provide information for the Water Utility Fund, which is considered to be the only major proprietary fund of the City. There are no reconciling differences from the Proprietary Fund Statement of Net Assets to the business-type activity column on the Government-Wide Statement of Net Assets.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City of Williamsburg has one type of fiduciary funds- Agency Funds (which are clearing accounts for assets held by the City in its role as custodian until the funds are allocated to the organizations or government agencies to which they belong). The Statement of Fiduciary Net Assets can be found following the proprietary fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's net assets total \$90.6 Million at June 30, 2006. The following table reflects the condensed Government-Wide Statement of Net Assets:

City of Williamsburg's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Current and Other Assets	\$ 34,450,823	\$ 33,227,027	\$ 5,918,516	\$ 5,603,118	\$ 40,369,339	\$ 38,830,145
Capital Assets	57,564,914	61,758,446	16,446,461	16,659,303	74,011,375	78,417,749
Total Assets	\$ 92,015,737	\$ 94,985,473	\$ 22,364,977	\$ 22,262,421	\$ 114,380,714	\$ 117,247,894
Long-term Liabilities	\$ 13,658,118	\$ 14,464,345	\$ 754,840	\$ 857,295	\$ 14,412,958	\$ 15,321,640
Other Liabilities	2,514,423	7,965,901	6,374,318	6,541,521	8,888,741	14,507,422
Total Liabilities	16,172,541	22,430,246	7,129,158	7,398,816	23,301,699	29,829,062
Net Assets:						
Invested in Capital Assets, net						
of related debt	43,724,093	41,977,081	9,781,412	9,720,452	53,505,505	51,697,533
Unrestricted	32,119,103	30,578,146	5,454,407	5,143,153	37,573,510	35,721,299
Total Net Assets	\$ 75,843,196	\$ 72,555,227	\$ 15,235,819	\$ 14,863,605	\$ 91,079,015	\$ 87,418,832

The City of Williamsburg's total assets were over \$114.4 Million as of June 30, 2006. Of this amount, \$74.0 Million (65 percent) reflects its investment in capital assets (e.g., land, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the remaining City assets, approximately \$35.8 Million is accounted for in cash, cash equivalents, and pooled investments, \$3.0 Million in accounts and notes receivable, with the remainder spread among miscellaneous assets.

At June 30, 2006, outstanding liabilities were \$23.3 Million, with \$21.4 Million in bonds and notes payable. Of the bonds and notes payable, \$7.4 Million was due within one year, with the remainder due at various dates until 2020. Refer to the notes to the financial statements for more information on the City's long term debt obligations. Included in other liabilities above are \$1.4 Million in accounts payable, \$.2 million in accrued liabilities, and \$103,591 in deposits payable to customers.

At June 30, 2006, the City had positive balances in all categories of net assets, for the government as a whole, and for its separate governmental and business-type activities.

Statement of Activities - Changes in Net Assets

Governmental activities – Governmental activities increased the City's net assets by \$2.8 Million, thereby accounting for 88 percent of the total growth in net assets of the City of Williamsburg during FY 2006. Key factors in this increase include:

- Grant revenues from the Virginia Dept of Transportation for Treyburn Drive in the amount of \$1.4 Million.
- The sale of City property to the developers of the High Street Williamsburg project for \$5.1 Million.
- Revenues from real property taxes increased due to appreciation in real estate assessments.
- Other local taxes, including room and meal taxes, increased from last year.

Business-type activities - Business-type activities increased the City of Williamsburg's net assets by \$387,469 for FY 2006. Key elements of this increase are as follows:

- Charges for services for the utility fund increased by 4.4%. This is largely attributable to the 3.9% water rate increase effective July 1, 2005.
- Investment earnings increased significantly during the year because of recent Federal Reserve action that effected short-term interest earnings.
- Water charges, interest earnings, and other miscellaneous revenues combined increased at a higher rate than the 6.2% increase in expenses during the year.

The following schedule compares the revenues and expenses for the current and previous fiscal year.

City of Williamsburg's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Program Revenues:						
Charges for services	\$ 866,681	\$ 2,198,148	\$ 4,379,515	\$ 4,195,671	\$ 5,246,196	\$ 6,393,819
Operating grants and contributions	5,224,480	3,718,194	-	-	5,224,480	3,718,194
Capital grants and contributions	176,937	102,922	-	-	176,937	102,922
General Revenues:						
Property taxes	9,394,039	9,203,301	-	-	9,394,039	9,203,301
Other local taxes	18,985,532	18,623,364	-	-	18,985,532	18,623,364
Other	4,054,315	465,369	238,139	105,671	4,292,454	571,040
Total Revenues	<u>38,701,984</u>	<u>34,311,298</u>	<u>4,617,654</u>	<u>4,301,342</u>	<u>43,319,638</u>	<u>38,612,640</u>
Expenses:						
General government	3,989,006	3,196,039	-	-	3,989,006	3,196,039
Judicial administration	356,257	308,361	-	-	356,257	308,361
Public safety	8,011,476	7,475,819	-	-	8,011,476	7,475,819
Public works	3,007,234	4,110,492	-	-	3,007,234	4,110,492
Health and welfare	2,180,922	2,065,153	-	-	2,180,922	2,065,153
Education	6,437,154	6,267,967	-	-	6,437,154	6,267,967
Parks, recreation, & cultural	2,138,010	2,179,626	-	-	2,138,010	2,179,626
Community Development	9,168,959	4,853,168	-	-	9,168,959	4,853,168
Nondepartmental	-	17,349	-	-	-	17,349
Interest expense	592,688	396,211	-	-	592,688	396,211
Water	-	-	4,230,185	3,983,571	4,230,185	3,983,571
Total Expenses	<u>35,881,706</u>	<u>30,870,185</u>	<u>4,230,185</u>	<u>3,983,571</u>	<u>40,111,891</u>	<u>34,853,756</u>
Excess of revenues over expenses	2,820,278	3,441,113	387,469	317,771	3,207,747	3,758,884
Transfers	-	-	-	-	-	-
Increase in net assets	2,820,278	3,441,113	387,469	317,771	3,207,747	3,758,884
Net assets - beginning	<u>\$73,022,918</u>	<u>69,581,805</u>	<u>14,848,350</u>	<u>14,530,579</u>	<u>87,871,268</u>	<u>84,112,384</u>
Net assets - ending	<u>\$75,843,196</u>	<u>\$73,022,918</u>	<u>\$15,235,819</u>	<u>\$14,848,350</u>	<u>\$91,079,015</u>	<u>\$87,871,268</u>

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

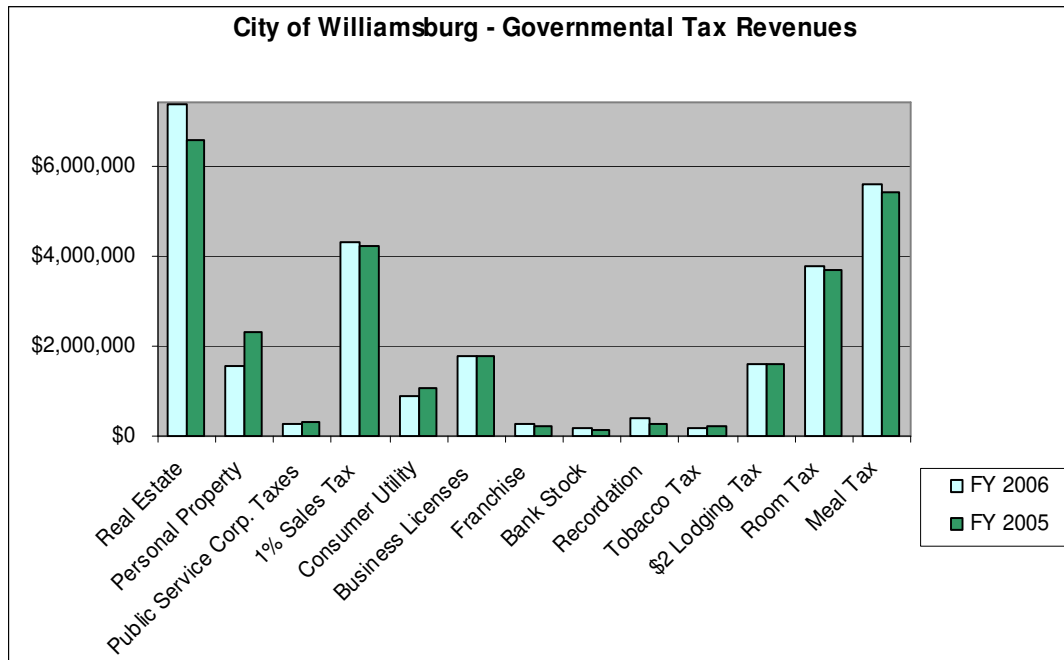
As noted earlier, the City of Williamsburg uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is a financial analysis of the City's governmental and proprietary funds.

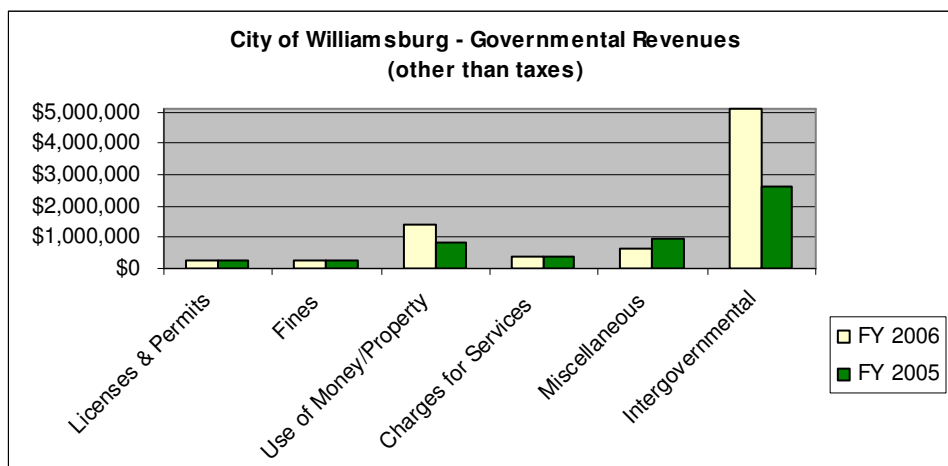
Governmental Funds Revenue and Expense Analysis

Revenues Classified by Source
Governmental Funds

Revenues by Source	June 30, 2006		June 30, 2005		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General Property Taxes	\$9,208,667	24.14%	\$9,241,737	26.94%	(\$33,070)	-0.36%
Other Local Taxes	18,985,532	49.78%	18,506,678	53.94%	478,854	2.59%
Licenses and permits	275,741	0.72%	256,662	0.75%	19,079	7.43%
Fines & Forfeitures	229,779	0.60%	234,157	0.68%	(4,378)	-1.87%
Use of Money and Property	1,382,832	3.63%	843,561	2.46%	539,271	63.93%
Charges for Services	361,161	0.95%	365,026	1.06%	(3,865)	-1.06%
Miscellaneous	660,148	1.73%	997,939	2.91%	(337,791)	-33.85%
Recovered Costs	706,463	1.85%	0	0.00%	706,463	0.00%
Intergovernmental	6,330,657	16.60%	3,864,318	11.26%	2,466,339	63.82%
Total Revenues	<u>38,140,980</u>	<u>100.00%</u>	<u>34,310,078</u>	<u>100.00%</u>	<u>3,830,902</u>	<u>11.17%</u>

The general governmental functions are contained in the General Fund. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The General Fund is the chief operating fund of the City. On June 30, 2006, unreserved, undesignated fund balance of the General Fund was \$18.1 Million, while total fund balance reached \$32.5 Million. Total assets in the General Fund amounted to \$34.1 Million, accounting for 99% of total governmental fund assets.





The following provides more detailed information about major General Fund operating revenue collections during FY 2006:

- **General Property Taxes** –This consists of real and personal property tax receipts. Real property tax receipts were \$7.3 Million, up 12.4% from last year. This is due to increased assessments city-wide, new construction, and continued strong collection efforts for delinquent real estate taxes during the year. The real estate tax rate has remained at 54¢/\$100 since 1991. Personal property tax receipts, including businesses, totaled \$2.4 Million, including \$830,831 in revenue for the State's CarTax relief program.
- **Other Local Taxes** - Overall these revenues increased 2.6% from last year.
 - State sales taxes were \$4.3 Million, up 2% from last year's receipts of \$4.2 Million.
 - Consumer utility taxes, E-911, and wireless phone taxes were \$886,388. These receipts were consistent with last year's actual receipts after accounting for a sizable delinquent payment received last year. Telecommunications taxes account for the majority of these revenues, and legislation will change the way these taxes are distributed to Virginia localities beginning in January, 2007, hopefully making administration easier for both the public and private sectors.
 - Room taxes were \$3.8 Million, up 2.5% from last year. This is attributable obviously to more room night stays in the City, even with additional industry competition in the surrounding counties.
 - \$2 per night lodging taxes generated \$1.6 Million, and was up slightly less than 1% from last year. The additional revenue indicates that 6,808 more room nights were sold in the City during FY 2006. These pass-thru funds are collected and remitted monthly to the Williamsburg Area Destination Marketing Committee for tourism marketing of the Historic Triangle.
 - Meal taxes were up \$232,417 to \$5.6 Million during FY 2006, a 4.3% increase from the previous year. Much of this increase is attributed to back-taxes paid to the City from a restaurant that was misreporting sales in previous years. Competition from restaurants in surrounding counties continues to have an impact on meal sales in the City.
 - Tobacco taxes were \$184,080, down 12% from last year. Replenishment of retail vendor stamps on cigarette inventories can swing this revenue in either direction each year and is difficult to estimate.

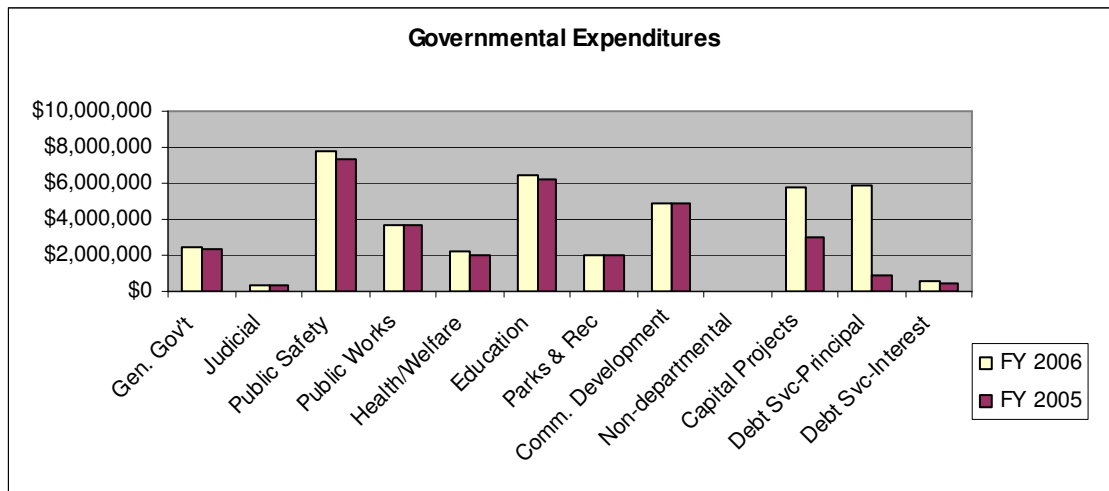
- **Revenue from the Use of Money and Property**

- **Use of Money** – Interest rates continued to climb steadily during FY 2006, as the Federal Reserve increased the Fed Funds rate eight times from 3.25% in June 2005 to 5.25% at June 30, 2006. The City's short-term funds invested with the State's Local Government Investment Pool (LGIP) averaged 4.14%, while the City's fixed-income portfolio averaged 3.81% for the year, and continues to be managed by Evergreen Investments. General Fund interest earnings were \$931,410, approximately twice the earnings from FY 2005. This is attributed to both higher earnings rates and higher cash balances, including remaining bond proceeds held for construction of Warhill High School.
- **Use of Property** - Proceeds from the sale of the City property for the High Street Williamsburg project were received in May, 2006 and invested with the State LGIP. As noted in the Letter of Transmittal, all investments continue to conform to the City's conservative investment policy, revised most recently in December, 2003 to allow the Evergreen advisors more flexibility and earnings potential in the markets, while still achieving Investment Policy objectives. Revenues from the use of property were \$451,278, up 19.3% from last year. This increase is due in part to parking garage revenues of \$204,706 during the year, up 39.3% from last year. Additional rented spaces and amenities charges for properties adjacent to the City's parking deck, and collections for various tenant contracts account for the remainder of this revenue. The City also sold surplus equipment for \$36,652, of which \$15,552 was sold publicly on the City's Internet auction site (<https://www.williamsburgva.gov/auction>).
- **Charges for Services** – This category consists largely of recreation programs, recreation facility rentals, and cemetery lots and fees. Overall revenues in this category were \$361,161, down slightly by 1.1% from last year. Included this year are Waller Mill Dog Park revenues of \$8,084.
- **Miscellaneous/Recovered Costs** – Prior years' revenue schedules have reported reimbursements for Utility Fund overhead charges, public safety overtime, stormwater management fees, and James City County's reimbursed portion of annual Arts Commission grants under miscellaneous receipts. This year's report separates those specific receipts as recovered costs.
- **Intergovernmental** – consisting of State and Federal revenues, these revenues totaled \$5.07 Million during FY 2006.
 - Non-categorical – ABC, wine, and rolling stock taxes were level with last year's receipts at \$21,192. Rental car taxes approximately doubled at \$11,528. Grantor's taxes were \$65,619, up 31.5% from last year due to continued real estate sales activity. This year's report classifies the State's personal property tax relief reimbursement (CarTax) as revenue from the Commonwealth in the amount of \$830,831. This program has ended and has been replaced by a new block grant program beginning FY 2007.
 - Shared expenses for Commissioner of the Revenue, Treasurer, Medical Examiner, and Registrar/Electoral Board were up a total of \$7,412, or 5.5% from last year. FY 2006 was the second year in a row that full funding was received for the Registrar's and Electoral Board members' salaries.
 - State sales tax for education, a dedicated funding source based on the triennial school-aged population census among Virginia localities, was up 5.9% to \$696,305 for FY 2006.
 - State highway maintenance payments of \$1,229,662 were up 5.1% from the preceding year. These payments, based on road lane miles, increased by \$60,097 during the year.
 - Virginia Dept of Transportation receipts of \$1.4 Million are included as categorical aid this year, which represents the State's share of FY 2006 funding for the Treyburn Drive road construction project.

The following table represents expenditures by function compared to prior year amounts.

**Expenditures By Function
Governmental Funds**

Expenditures by Function	June 30, 2006		June 30, 2005		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General Government	\$2,636,419	6.25%	\$2,290,766	6.91%	\$345,653	15.09%
Judicial Administration	356,257	0.85%	308,361	0.93%	47,896	15.53%
Public Safety	7,820,618	18.55%	7,306,601	22.04%	514,017	7.03%
Public Works	3,636,448	8.63%	3,628,476	10.94%	7,972	0.22%
Health and Welfare	2,169,163	5.15%	2,055,514	6.20%	113,649	5.53%
Education	6,437,154	15.27%	6,267,967	18.90%	169,187	2.70%
Parks, Recreation, and Cultural	2,038,969	4.84%	2,025,720	6.11%	13,249	0.65%
Community Development	4,908,287	11.64%	4,852,663	14.64%	55,624	1.15%
Nondepartmental	0	0.00%	33,349	0.10%	(33,349)	-100.00%
Capital Projects	5,774,358	13.70%	3,030,777	9.14%	2,743,581	90.52%
Principal Retirement	5,872,179	13.93%	918,000	2.77%	4,954,179	539.67%
Interest	505,332	1.20%	437,444	1.32%	67,888	15.52%
Total Expenditures	\$42,155,184	100.00%	\$33,155,638	100.00%	\$8,999,546	27.14%



The following provides an explanation of the expenditures by function that changed significantly over the prior year.

- **General Government Administration** – Up \$345,653 or 15.1% over last year.
 - General and Financial Administration – Up 11.6% from the previous year, largely due to increased costs for personnel and benefits for departments, a new economic development position, and additional legal costs, and higher health care claims than anticipated under the City's self-insured plan administered by Anthem Blue Cross and Blue Shield.
 - Board of Elections – The Electoral Board and Registrar experienced a slight increase in spending of \$8,337, with three elections (general, City Council, and primary) in FY 2006.
- **Judicial Administration** – The City funds judicial offices with James City County in the jointly owned Courthouse, according to a population-based formula each year. The City's share of

expenditures totaled \$356,257 - 19.8% of total expenses, up 15.5% from the prior year. Additional costs continued to be offset by local fees imposed during FY 2006 through the courts.

- **Public Safety** – This category is made up of several departments:
 - Law Enforcement & Traffic Control – Expenditures for the Police Department were \$2,894,730, down slightly from last year, when a Homeland Security grant for radios and equipment was included in expenditures. Retirement plan costs were up 3.6%, and fuel for patrol cars was up 41%. Telecommunication and radio costs were up about 67% over last year, largely from a new user fee for a regional 800 Mhz radio system used by all neighboring jurisdictions and the College of William & Mary.
 - E-911 – This program is responsible for City-wide E-911 dispatch operations at the Police Department. The operation experienced an 8.9% cost increase to \$546,814 over the preceding year, largely from higher wages to staff the call center and stay competitive with the labor market, benefits, and higher E-911 phone charges this year.
 - Prince George Parking Garage – The two-year old facility's operations during FY 2006 cost \$99,745, fairly level with last year. Part-time personnel costs were higher this year, but there were savings in hospitalization costs, armored transport fees, property insurance, and supplies during the year.
 - Fire and Rescue Services – With the addition of 3 firefighter positions, total expenditures were up \$209,671, or 8.3% from last year. Radio costs were up considerably, as the Fire Department is also part of the regional 800-Mhz public safety system, along with the Police Department.
 - Correction and Detention –
 - The City incurred expenditures for the Virginia Peninsula Regional Jail, which also serves James City County, Poquoson, and York County, totaling \$882,633 during the year ended June 30, 2006, up 16.8% from last year. Member jail costs are now billed on a 5-year average usage rate to all localities in order to level out incarceration costs for crimes committed within each locality.
 - Juvenile detention costs during the year were \$125,530, up 68.3% from last year, due to a significant increase in daily population. Total days for juvenile incarceration in FY 2006 were 914, while 533 days were experienced in the previous year. Like the Virginia Peninsula Regional Jail, juvenile incarceration is based on crimes, and very difficult to predict and budget for each year.
 - Inspection costs were \$415,423 during the year, up \$41,807, or 11% over the prior year. This is largely attributable to increased salaries, hospitalization, advertising, insurance, and travel costs during the year.
- **Public Works** – Various activities make up this category:
 - Engineering – Expenditures during the year were \$214,937, up 4% due to normal increases in personnel costs.
 - Streets – Overall costs were up \$1,452,086, down 1.3% from last year. There were savings this year in salaries due to retirement. Electricity cost was down over 10%, but were offset by increases in fuel, hospitalization, maintenance of traffic controls, and the annual street resurfacing program.
 - Refuse Collection – Expenditures for the year were \$776,252, up 4% over last year. FY 2006 was the second year of a new contract with Allied Waste Services.
 - Maintenance-Buildings, grounds, and landscaping costs were \$1,193,173, down about 1% from last year. Major costs for building repairs are budgeted in the City's capital improvements program and not included here. Information Technology costs were \$266,874 for the year, down about 7% from last year.
- **Health & Welfare** – Local health department costs were \$227,792, up 7.1% from last year. Contributions to the Colonial Services Board were \$210,607, up 8% from last year.
- **Education** – Current year education costs were \$6,437,154, up 2.7% from last year. The City's share of the joint Williamsburg-James City County Public School system for the year ended June 30, 2006 was 9.63%. FY 2006 was the fourth year of the latest five-year agreement, with

operating funding based on the City's share of student population times a factor. The factor for FY 2006 was 1.23. Also under the revised agreement beginning with FY 2003, the City pays the same proportion of approved capital projects. The City's share of school capital costs paid during the year were \$1,437,754, and included projects carried forward from last year and new projects, most significantly the City's share of construction costs for two new schools.

- **Parks, Recreation and Cultural –**

- Parks and recreation costs, including maintenance of Cedar Grove Cemetery, were \$1,242,389, down about 1% from last year. Restructuring of staff positions and responsibilities throughout the recreation department during the year resulted in a 2.5% reduction in salaries from last year.
- The City's share of the Williamsburg Regional Library for the year ended June 30, 2006 was \$794,808, up 3.1% from last year, due to normal increases in operating costs. The contract percentage for FY 2006 was 16.84% according to the agreement with James City County, which is based on circulation by residency each year.

- **Community Development**

- Planning – Total expenditures were \$384,237 for FY 2006, level with last year's spending. Salaries and other personnel costs were 3.2% higher this year. Other operating lines were lower than last year, most notably professional services.
- Community Development – This consists of contributions to outside human service type, and community and economic development agencies. Total contributions were \$4,450,225 during FY 2006. The \$2 per night lodging tax receipts of \$1,595,664 were submitted to the Williamsburg Area Destination Marketing Committee monthly for tourism promotion of the Historic Triangle. Arts Commission funding was \$136,750, up 6.5% from last year.

- **Capital Projects** – Capital project spending varies each year depending on the 5-year program. City projects totaled \$4,371,382 for FY 2006. Major projects included construction costs for Richmond Road and Treyburn Drive, guardrail replacement along Henry Street, underground wiring on Monticello Avenue, public safety communication equipment, construction of Warhill High and Matoaka Elementary schools, various school improvements, and the City's vehicle replacement program. More information is provided under the Capital Asset section below.

- **Principal and Interest payments** – Total principal payments during FY 2006 were \$5,872,179, including the \$4.5 Million principal payoff of a bond that was refinanced last year. Interest payments totaled \$505,332. Details of long term debt obligations are included in the notes to the financial statements.

Budget Variances

Included in the Final Budget column of the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - are carryover funds for Capital Projects. Since all planned projects rarely are completed by fiscal year end, this carryover is required in order to complete planned and previously approved projects. General Fund revenues exceeded budgeted revenues by \$4.3 Million for FY 2006. Looking closer at the details reveals that \$1.4 Million of the difference was generated from local sources, most notably general property taxes, other local taxes, and interest earnings. In addition, \$1.4 Million for State VDOT road construction reimbursements for Treyburn Drive are included as revenue, and were not budgeted. Expenditures, including capital projects, totaled \$40.3 Million, and were \$14.2 Million under budget, due to capital projects still in progress at year end. The budget balances of any appropriated capital projects at year end are carried forward to the next fiscal year, as provided for in the City's financial policies.

Fund Balance

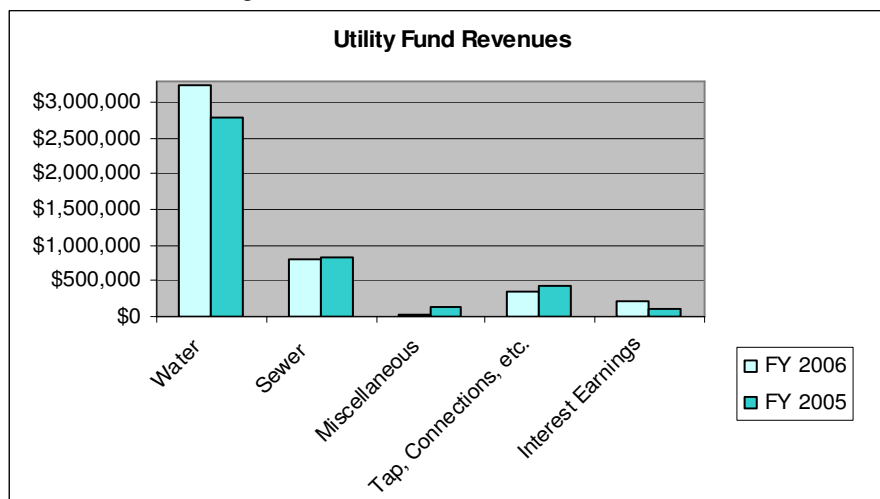
Fund Balance, as previously reported at June 30, 2005, was restated to reflect adjustments detailed in Note 17 of the Notes to the Financial Statements. After restatement, Fund Balance for the General Fund increased from \$31.5 Million to \$32.5 Million as of June 30, 2006. Of that total, \$13.9 Million is designated for subsequent years' capital expenditures, and \$473,803 for future health care costs. In

addition, \$537,005 in notes receivable from the Williamsburg Redevelopment and Housing Authority are classified as reserved, since those funds are not on hand and available for spending at year end. Projects designated include remaining costs for Treyburn Drive extension, underground wiring, Richmond Road widening, EMS ambulance, and various school projects, including the City's share of construction costs necessary to complete Warhill High School with a scheduled opening of August 2007.

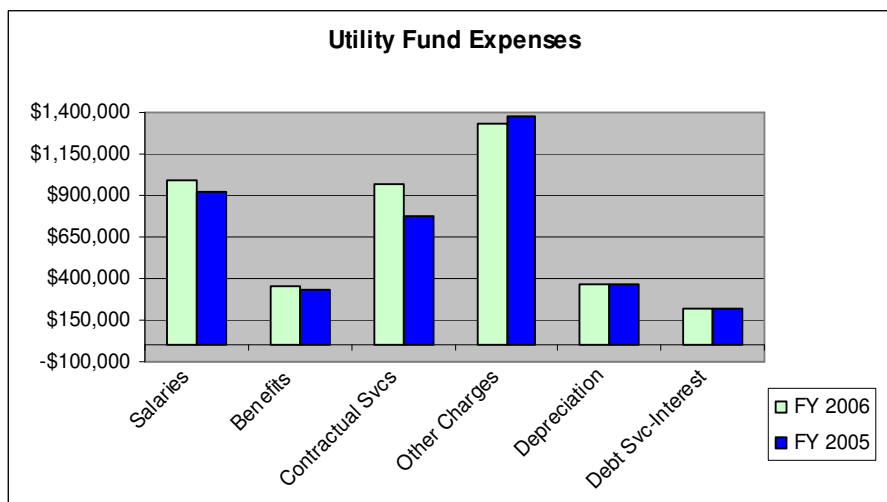
General Fund Reserve Policy – At June 30, 2006 the unreserved, undesignated portion of fund balance of \$18,083,517, as a percentage of budgeted operating revenues, was 60.0%. This is well above the City's policy of maintaining a minimum of 35% of operating revenues each year.

Enterprise Funds Revenue/Expense Analysis

The business-type activity (water and sewer services of the Utility Fund) revenues for the year were \$4.4 Million, up 5.1% from last year. Water rates increased 3.9% in July 2005 from \$2.60 to \$2.70 per 1,000 gallons. Water and sewer revenues were up \$391,295, or 10.7% largely from increased water consumption citywide, and the increased water rate. Tap, connection, and availability fees are unpredictable and dependent on development activity, and were down 23% from last year. The City contracts with three cell-phone providers using water tanks as a base for telecommunications equipment, and received \$89,400 this year. Interest earnings were \$202,622, up 92% from last year, due to the recent increases in short-term earnings rates.



Utility Fund expenses totaled \$4.0 Million for the year, compared to \$3.8 Million last year. Salaries and wages were up 6.8%, and fringe benefits were up 3.4% from last year. Other operating costs were up 6.5%.



ORIGINAL AND FINAL AMENDED BUDGETS

A budget amendment was approved by City Council on March 9, 2006 for \$64,620 to fund additional costs for the Williamsburg Area Transport program, and \$13,693 for additional contribution to the W-JCC Schools for an anticipated increase in State sales tax for education funds. The General Fund's capital improvement budget was also amended by \$3,743,040 from reappropriation of remaining balances for projects that were continued from the prior year.

CAPITAL ASSET AND DEBT ADMINISTRATION**Capital Assets**

The City of Williamsburg's total investment in capital assets, including construction in progress, for its governmental and business type activities as of June 30, 2006, amounts to \$74 Million (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, and recreation and park facilities. Major capital assets of the Utility Fund consist of all assets used to provide water and sewer services to City residents, including the major investment of the Waller Mill Reservoir and all properties adjacent to this watershed.

Major capital project fund activities during the current fiscal year included the following:

Governmental Funds:

- Underground wiring along Monticello Avenue and Braxton Court was completed during the year at a cost of \$796,711.
- Tennis courts were resurfaced and gymnasium wall protection added at Quarterpath Park costing \$79,835.
- Construction began on the Treyburn Drive project, and the City's share spent during the year was \$931,203. The project will be completed in FY 2007.
- Guardrails were replaced on Jamestown Road at a cost of \$75,000.
- The 911 communications console in the Public Safety Answering Point (PSAP) section of the Police Department was replaced during the year at a cost of \$350,000.
- Vehicles were replaced citywide under the replacement plan for \$286,329.
- School projects, including renovations to existing facilities, and initial construction of two new schools were funded during the year at a cost of \$1,437,753. Major construction of the new schools will take place in FY 2007, with scheduled opening in August, 2007.
- Improvements totaling \$70,985 for brick sidewalks on South Henry, and new brick sidewalks on a portion of Francis and Prince George streets.
- The aging fishing pier and bridge at Waller Mill Park were rebuilt for \$25,000.
- Emergency Lifepaks for the Fire Department's EMS vehicles were purchased in the amount of \$83,401.

Additional information on the City of Williamsburg's capital assets can be found in note 7 on pages 39-41 of this report.

Utility Fund:

- Sanitary sewer extension on Berkeley Lane costing \$60,000, with participation of five residents repaying \$25,000.
- Three water tank inspections were made during the year totaling \$12,700.
- Professional engineering services for raw water well permit application totaling \$28,000
- Emergency sanitary sewer repairs on South England Street for \$31,506.
- Water demand study for built out population totaling \$9,000.

Long-Term Debt

At June 30, 2006, the City of Williamsburg had total bonded debt outstanding of \$19.2 Million, with a note payable of \$1.3 Million. Bonds and notes payable for Governmental Activities were \$13.8 Million, while business-type activities had \$6.7 Million in bonds payable. The full faith and credit of the government backs these instruments.

The City's total bonded debt decreased \$6.2 Million during FY 2006. The majority of the decrease was from the repayment of the \$4.5 Million obligation in July 2005 with the bond proceeds from the April 2005 refinancing, undertaken to take advantage of reduced interest rates. The City's remaining capacity for debt at June 30, 2006 was approximately \$113 million. The City of Williamsburg has not been rated by a major rating service such as Moody's Investor's Service, or Standard & Poor's. All borrowings have been Bank-Qualified (under \$10 Million) private placements with regional banking institutions and private individuals. As in the past, based on recommendation of the City's financial advisors, Davenport and Company, the City of Williamsburg will consider all aspects of private vs. public borrowing in its borrowing analysis.

Additional information on the City of Williamsburg's long-term debt can be found in note 9 on pages 42-44 of this report.

Requests for Information

This financial report is designed to provide a general overview of the City of Williamsburg's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Williamsburg, 401 Lafayette St., Williamsburg, VA 23185

City of Williamsburg, Virginia
Statement of Net Assets
June 30, 2006

	Primary Government		
	Governmental	Business-type	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 599,518	\$ 130,802	\$ 730,320
Investments	30,064,108	5,008,038	35,072,146
Receivables (net of allowance for uncollectibles):			
Taxes receivable	1,520,466	-	1,520,466
Accounts receivable	434,472	793,439	1,227,911
Notes receivable	537,005	-	537,005
Interest receivable	71,427	-	71,427
Internal balances	31,735	(31,735)	-
Due from other governmental units	1,147,329	-	1,147,329
Prepaid expenses	6,600	-	6,600
Deferred charges	38,163	17,972	56,135
Capital assets (net of accumulated depreciation):			
Land	8,617,335	9,073,717	17,691,052
Buildings and system	19,939,656	5,199,280	25,138,936
Improvements other than buildings	6,239,529	1,823,357	8,062,886
Machinery and equipment	1,864,970	350,107	2,215,077
Infrastructure	17,714,619	-	17,714,619
Construction in progress	3,188,805	-	3,188,805
Total assets	<u>\$ 92,015,737</u>	<u>\$ 22,364,977</u>	<u>\$ 114,380,714</u>
LIABILITIES			
Accounts payable	\$ 1,092,429	\$ 283,494	\$ 1,375,923
Accrued liabilities	170,479	22,038	192,517
Refundable deposits	66,980	36,611	103,591
Accrued interest payable	126,107	12,829	138,936
Unearned revenue	119,120	-	119,120
Long-term liabilities:			
Due within one year	1,413,111	6,019,346	7,432,457
Due in more than one year	13,184,315	754,840	13,939,155
Total liabilities	<u>\$ 16,172,541</u>	<u>\$ 7,129,158</u>	<u>\$ 23,301,699</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 43,724,093	\$ 9,781,412	\$ 53,505,505
Unrestricted (deficit)	32,119,103	5,454,407	37,573,510
Total net assets	<u>\$ 75,843,196</u>	<u>\$ 15,235,819</u>	<u>\$ 91,079,015</u>

The notes to the financial statements are an integral part of this statement.

City of Williamsburg, Virginia
Statement of Activities
For the Year Ended June 30, 2006

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT:							
Governmental activities:							
General government administration	\$ 3,989,006	\$ -	\$ 142,843	\$ -	\$ (3,846,163)		\$ (3,846,163)
Judicial administration	356,257	142,321	-	-	(213,936)		(213,936)
Public safety	8,011,476	364,959	552,546	-	(7,093,971)		(7,093,971)
Public works	3,007,234	-	2,632,637	-	(374,597)		(374,597)
Health and welfare	2,180,922	-	1,188,581	-	(992,341)		(992,341)
Education	6,437,154	-	696,305	103,112	(5,637,737)		(5,637,737)
Parks, recreation, and cultural	2,138,010	302,835	5,000	-	(1,830,175)		(1,830,175)
Community development	9,168,959	56,566	6,568	73,825	(9,032,000)		(9,032,000)
Interest on long-term debt	592,688	-	-	-	(592,688)		(592,688)
Total government activities	\$ 35,881,706	\$ 866,681	\$ 5,224,480	\$ 176,937	\$ (29,613,608)		\$ (29,613,608)
Business-type activities:							
Utility Fund	\$ 4,230,185	\$ 4,379,515	\$ -	\$ -		\$ 149,330	\$ 149,330
Total business-type activities	\$ 4,230,185	\$ 4,379,515	\$ -	\$ -		\$ 149,330	\$ 149,330
Total primary government	\$ 40,111,891	\$ 5,246,196	\$ 5,224,480	\$ 176,937			\$ (29,464,278)
General revenues:							
General property taxes					\$ 9,394,039	\$ -	\$ 9,394,039
Local sales and use taxes					4,303,203	-	4,303,203
Consumers' utility taxes					451,524	-	451,524
Business licenses					1,789,386	-	1,789,386
Restaurant food taxes					5,600,162	-	5,600,162
Hotel and motel taxes					3,787,611	-	3,787,611
\$2 lodging taxes					1,595,664	-	1,595,664
Other local taxes					1,457,982	-	1,457,982
Unrestricted revenues from use of money and property					1,382,832	202,622	1,585,454
Miscellaneous					660,148	35,517	695,665
Grants and contributions not restricted to specific programs					929,240	-	929,240
Gain on disposal of capital assets					1,082,095	-	1,082,095
Total general revenues					\$ 32,433,886	\$ 238,139	\$ 32,672,025
Change in net assets					\$ 2,820,278	\$ 387,469	\$ 3,207,747
Net assets - beginning, as restated					73,022,918	14,848,350	87,871,268
Net assets - ending					\$ 75,843,196	\$ 15,235,819	\$ 91,079,015

The notes to the financial statements are an integral part of this statement.

City of Williamsburg, Virginia
Balance Sheet
Governmental Funds
June 30, 2006

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 404,150	\$ 195,368	\$ 599,518
Investments	30,064,108	-	30,064,108
Receivables (net of allowance for uncollectibles):			
Taxes receivable	1,520,466	-	1,520,466
Accounts receivable	434,472	-	434,472
Notes receivable	537,005	-	537,005
Interest receivable	71,427	-	71,427
Due from other funds	54,837	-	54,837
Due from other governmental units	1,041,446	105,883	1,147,329
Prepaid items	6,600	-	6,600
Total assets	<u>\$ 34,134,511</u>	<u>\$ 301,251</u>	<u>\$ 34,435,762</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,084,313	\$ 8,116	\$ 1,092,429
Accrued liabilities	170,479	-	170,479
Refundable deposits	66,980	-	66,980
Accrued interest payable	41,477	-	41,477
Due to other funds	-	23,102	23,102
Deferred revenue	245,034	59,458	304,492
Total liabilities	<u>\$ 1,608,283</u>	<u>\$ 90,676</u>	<u>\$ 1,698,959</u>
Fund balances:			
Reserved for:			
Notes receivable	\$ 537,005	\$ -	\$ 537,005
Prepaid items	6,600	-	6,600
Unreserved, reported in:			
General fund	17,539,912	-	17,539,912
Special revenue funds	-	210,575	210,575
Designated for:			
General fund - subsequent years':			
Capital expenditures	13,968,908	-	13,968,908
Health care costs	473,803	-	473,803
Total fund balances	<u>\$ 32,526,228</u>	<u>\$ 210,575</u>	<u>\$ 32,736,803</u>
Total liabilities and fund balances	<u>\$ 34,134,511</u>	<u>\$ 301,251</u>	<u>\$ 34,435,762</u>

The notes to the financial statements are an integral part of this statement.

City of Williamsburg, Virginia
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Assets
June 30, 2006

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 32,736,803
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	57,564,914
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. The following is a summary of items supporting this adjustment:

Deferred property taxes	185,372	
Amortizable bonds fees	38,163	223,535

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

General obligation bonds	(12,540,821)	
Note payable	(1,300,000)	
Accrued interest payable	(84,630)	
Compensated absences	(756,605)	(14,682,056)

Net assets of governmental activities	\$ 75,843,196
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The notes to the financial statements are an integral part of this statement.

City of Williamsburg, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2006

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total</u>
REVENUES			
General property taxes	\$ 9,208,667	\$ -	\$ 9,208,667
Other local taxes	18,985,532	-	18,985,532
Permits, privilege fees, and regulatory licenses	275,741	-	275,741
Fines and forfeitures	229,779	-	229,779
Revenue from the use of money and property	1,382,688	144	1,382,832
Charges for services	361,161	-	361,161
Miscellaneous	640,764	19,384	660,148
Recovered costs	706,463	-	706,463
Intergovernmental revenues:			
Commonwealth	4,957,348	384,018	5,341,366
Federal	114,850	874,441	989,291
Total revenues	<u>\$ 36,862,993</u>	<u>\$ 1,277,987</u>	<u>\$ 38,140,980</u>
EXPENDITURES			
Current:			
General government administration	\$ 2,636,419	\$ -	\$ 2,636,419
Judicial administration	356,257	-	356,257
Public safety	7,777,610	43,008	7,820,618
Public works	3,636,448	-	3,636,448
Health and welfare	450,930	1,718,233	2,169,163
Education	6,437,154	-	6,437,154
Parks, recreation, and cultural	2,038,969	-	2,038,969
Community development	4,908,287	-	4,908,287
Capital projects	5,774,358	-	5,774,358
Debt service:			
Principal retirement	5,872,179	-	5,872,179
Interest and other fiscal charges	505,332	-	505,332
Total expenditures	<u>\$ 40,393,943</u>	<u>\$ 1,761,241</u>	<u>\$ 42,155,184</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (3,530,950)</u>	<u>\$ (483,254)</u>	<u>\$ (4,014,204)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ 543,284	\$ 543,284
Transfers out	(543,284)	-	(543,284)
Sale of capital assets	5,068,073	-	5,068,073
Total other financing sources (uses)	<u>\$ 4,524,789</u>	<u>\$ 543,284</u>	<u>\$ 5,068,073</u>
Net change in fund balances	\$ 993,839	\$ 60,030	\$ 1,053,869
Fund balances - beginning, as restated	31,532,389	150,545	31,682,934
Fund balances - ending	<u>\$ 32,526,228</u>	<u>\$ 210,575</u>	<u>\$ 32,736,803</u>

The notes to the financial statements are an integral part of this statement.

City of Williamsburg, Virginia
Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2006

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 1,053,869

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. The following is a summary of items supporting this adjustment:

Capital outlay	6,324,488	
Depreciation expense	<u>(1,815,050)</u>	4,509,438

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets. (8,651,042)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 185,372

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. The following is a summary of items supporting this adjustment:

Principal retirement on general obligation bonds	5,872,179	
Amorization of bond fees	<u>(2,726)</u>	5,869,453

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

The following is a summary of items supporting this adjustment:

(Increase) decrease in accrued leave	(62,182)	
(Increase) decrease in interest payable	<u>(84,630)</u>	(146,812)

Change in net assets of governmental activities \$ 2,820,278

The notes to the financial statements are an integral part of this statement.

City of Williamsburg, Virginia
Statement of Net Assets
Proprietary Funds
June 30, 2006

	Enterprise Fund <u>Utility Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 130,802
Investments	5,008,038
Accounts receivable, net of allowances for uncollectibles	793,439
Deferred charges	17,972
Total current assets	<u>\$ 5,950,251</u>
Noncurrent assets:	
Capital assets:	
Land	\$ 9,073,717
Buildings and system	9,885,654
Improvements other than buildings	6,048,989
Machinery and equipment	954,353
Less: accumulated depreciation	(9,516,252)
Total noncurrent assets	<u>\$ 16,446,461</u>
Total assets	<u>\$ 22,396,712</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 283,494
Accrued liabilities	22,038
Refundable deposits	36,611
Accrued interest payable	12,829
Due to other funds	31,735
Compensated absences	54,297
Bonds payable - current portion	5,965,049
Total current liabilities	<u>\$ 6,406,053</u>
Noncurrent liabilities:	
Bonds payable - net of current portion	\$ 700,000
Compensated absences	54,840
Total noncurrent liabilities	<u>\$ 754,840</u>
Total liabilities	<u>\$ 7,160,893</u>
NET ASSETS	
Invested in capital assets, net of related debt	\$ 9,781,412
Unrestricted	5,454,407
Total net assets	<u>\$ 15,235,819</u>

The notes to the financial statements are an integral part of this statement.

City of Williamsburg, Virginia
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2006

	Enterprise Fund <u>Utility Fund</u>
OPERATING REVENUES	
Charges for services:	
Water revenues	\$ 3,245,990
Sewer revenues	792,255
Tap and availability fees	324,685
Penalty and interest	13,542
Miscellaneous	33,517
Total operating revenues	<u>\$ 4,409,989</u>
OPERATING EXPENSES	
Personnel services	\$ 988,541
Fringe benefits	348,874
Contractual services	969,148
Other charges	1,329,253
Depreciation	371,261
Total operating expenses	<u>\$ 4,007,077</u>
 Operating income (loss)	 <u>\$ 402,912</u>
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	\$ 202,622
Interest expense	(223,108)
Connection fees	5,043
Total nonoperating revenues (expenses)	<u>\$ (15,443)</u>
Change in net assets	<u>\$ 387,469</u>
 Total net assets - beginning, as restated	 14,848,350
Total net assets - ending	<u><u>\$ 15,235,819</u></u>

The notes to the financial statements are an integral part of this statement.

City of Williamsburg, Virginia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2006

	Enterprise Fund <u>Utility Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 4,259,647
Payments to suppliers	(2,253,759)
Payments to and for employees	(1,333,295)
Other receipts (payments)	33,917
Net cash provided (used by) operating activities	<u>\$ 706,510</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Additions to utility plant	\$ (158,419)
Principal payments on bonds	(6,081,556)
Proceeds from indebtedness	5,807,754
Interest payments	(283,429)
Net cash provided (used) by capital and related financing activities	<u>\$ (715,650)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale (purchase) of investments	\$ (102,622)
Interest and dividends received	202,622
Other	5,043
Net cash provided (used) by investing activities	<u>\$ 105,043</u>
Net increase (decrease) in cash and cash equivalents	\$ 95,903
Cash and cash equivalents - beginning - including restricted	34,899
Cash and cash equivalents - ending - including restricted	<u>\$ 130,802</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	<u>\$ 402,912</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	371,261
(Increase) decrease in accounts receivable	(117,249)
Increase (decrease) in compensated absences	4,120
Increase (decrease) in accounts payable	44,642
Increase (decrease) customer deposits	424
Increase (decrease) in due to other funds	400
Total adjustments	<u>\$ 303,598</u>
Net cash provided (used) by operating activities	<u>\$ 706,510</u>

The notes to the financial statements are an integral part of this statement.

City of Williamsburg, Virginia
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2006

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 132,266
Investments, at fair value:	
Other investments	842,501
Total assets	<u>\$ 974,767</u>
LIABILITIES	
Accounts payable	\$ 1,118
Amounts held for others	973,649
Total liabilities	<u>\$ 974,767</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements As of June 30, 2006

Note 1—Summary of Significant Accounting Policies:

The City of Williamsburg, Virginia (the "City") was established by the General Assembly of the Commonwealth of Virginia in 1699 and was incorporated by British Royal Charter in 1722. The City is a municipal corporation governed by an elected mayor and four-member council. The accompanying financial statements present the government and the entities for which the government is considered to be financially accountable.

Financial Statement Presentation

In June 1999, GASB issued Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. This statement, known as the "Reporting Model" statement, affects the way the City prepares and presents financial information.

GASB Statement No. 34 establishes new requirements and a new reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions.

Management's Discussion and Analysis - GASB Statement No. 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A).

Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Assets - The Statement of Net Assets is designed to display financial position of the primary government (government and business-type activities). Governments will report all capital assets in the government-wide Statement of Net Assets and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net assets of a government will be broken down into three categories - 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

Notes to Financial Statements (Continued)
As of June 30, 2006

Note 1—Summary of Significant Accounting Policies: (Continued)

Statement of Activities - The new government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Budgetary comparison schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the new reporting model, governments will continue to provide budgetary comparison information in their annual reports. An important change, however, is a requirement to add the government's original budget to the current comparison of final budget and actual results.

A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the City of Williamsburg (the primary government).

B. Individual Component Unit Disclosures

Blended Component Unit - the City has no blended component units to be included for the fiscal year ended June 30, 2006.

Discretely Presented Component Units - the City has no discretely presented component units to be included for the fiscal year ended June 30, 2006.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2006

Note 1—Summary of Significant Accounting Policies: (Continued)

C. Other Related Organizations

Not included in the City's financial statements are certain entities created as separate governments under the laws of the Commonwealth of Virginia. These agencies are separate legal entities having governmental character and sufficient autonomy in the management of their own affairs to distinguish them as separate from the administrative organization of the City, although certain members of their governing bodies are appointed by the City Council. Specific information on the nature of the individual agencies and description of their financial transactions affecting the City are provided in the following paragraphs:

1. Williamsburg Redevelopment & Housing Authority - The Authority is a public corporation that administers urban development projects and operates all public housing in the City. City Council selects the members of the Authority's board; however, the board designates its own management and has the responsibility for budget adoption and revision. The Authority's operating and capital expenditures, including debt service, are financed principally with federal funds and rentals. Separate financial statements are prepared and are available, which reflect the details of its operations.
2. The City of Williamsburg - County of James City, Virginia Joint Public Schools - Under the terms of an agreement dated January 14, 1954, and subsequently revised, between the governing bodies and the school boards of the City of Williamsburg, Virginia and the County of James City, Virginia, effective July 1, 1955, the two localities consolidated the operations of their schools. By agreement, last amended by resolution on October 12, 2001, defining the City and County share of the local contribution, the City's share of operational costs will be equivalent to the percentage of City students each year beginning July 1, 2002, times an add-on factor that varies by year as follows:

Fiscal Year	Factor
2006	1.23
2007	1.18

Summary financial information on the school operations as of June 30, 2006, is as follows:

Total assets	<u>\$ 10,546,915</u>
Liabilities	8,522,738
Fund equity and other credits	<u>2,024,177</u>
Total liabilities, fund equity, and other credits	<u>\$ 10,546,915</u>
Revenues and other financing sources	93,467,566
Expenditures	<u>93,138,180</u>
Excess of expenditures over revenues and other financing sources	329,386
Fund balance, beginning	<u>1,694,791</u>
Fund balance, ending	<u>\$ 2,024,177</u>

General Long-term debt of the joint school operations consists of liabilities for early retirement, compensated absences, and obligations under capital leases. Each participating government is responsible for its own debt related to school properties.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued) As of June 30, 2006

Note 1—Summary of Significant Accounting Policies: (Continued)

C. Other Related Organizations (Continued)

3. Williamsburg Regional Library - The Library is a joint operation of the City of Williamsburg and the County of James City, Virginia, operating under a contract dated January 14, 1999. It receives funding from the State of Virginia, the federal government, York County, and some private sources. The Library's board is split between City and County appointees. The Library's management is independent from City and County control. During the current fiscal year, the City contributed \$794,808 to the Library's operating budget, or 15.7% of its net appropriated support. Separate financial statements are prepared and are available, which reflect the details of its operations.
4. Other Agencies - Certain agencies and commissions service both the City of Williamsburg and surrounding localities. Board membership is allocated among the localities and their governing bodies make appointments. These agencies include: Hampton Roads Planning District Commission (HRPDC), Peninsula Alliance for Economic Development (PAED), Colonial Services Board, Virginia Peninsula Regional Jail, Group Home Commission, Middle Peninsula Juvenile Detention Commission, Peninsula Agency on Aging, Community Action Agency, Crossroads, Hampton Roads Partnership, Virginia Peninsula Public Service Authority, and the Williamsburg Area Arts Commission.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The City applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989 unless these pronouncements conflict with or contradict GASB pronouncements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide statement of activities reflect both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues, (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

Notes to Financial Statements (Continued)
As of June 30, 2006

Note 1—Summary of Significant Accounting Policies: (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as deferred revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the City, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the City.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time other specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Notes to Financial Statements (Continued)
As of June 30, 2006

Note 1—Summary of Significant Accounting Policies: (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The City reports the General Fund as a major governmental fund.

The General Fund is the primary operating fund of the City. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income.

Proprietary Funds - account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise Funds.

Enterprise Funds - Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The City's Major Enterprise Fund consists of the Utility Fund.

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Special Revenue Funds consist of the following non-major funds: Virginia Public Assistance Fund, Law Enforcement Block Grant Fund. The Virginia Public Assistance Fund accounts for the Social Services programs of the City and is funded primarily through intergovernmental revenues.

Fiduciary Funds - (Trust and Agency Funds) - account for assets held by the City unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Private Purpose Trust and Agency Funds. Private Purpose Trust Funds utilize the accrual basis of accounting as described in the Proprietary Funds Presentation. Agency funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Agency funds include the Williamsburg Regional Library, the Williamsburg Tricentennial Fund, Colonial CASA Fund, Economic Development Authority, and the Farmer's Market Fund. Fiduciary funds are not included in the government-wide financial statements.

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

Investments for the government are reported at fair value.

Notes to Financial Statements (Continued)
As of June 30, 2006

Note 1—Summary of Significant Accounting Policies: (Continued)

F. Investments

Investments are stated at fair value which approximates market; no investments are valued at cost. Certificates of deposit and short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents.

G. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portions of the interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

All trade and property tax receivables are shown net of an allowance for uncollectibles. The City calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$149,854 at June 30, 2006 is composed solely of property taxes.

Real and Personal Property Tax Data:

The tax calendars for real and personal property taxes are summarized below.

	<u>Real Property</u>	<u>Personal Property</u>
Levy	July 1	January 1
Due Date	December 1 / June 1	December 1
Lien Date	July 1	January 1

The City bills and collects its own property taxes. The City follows the practice of reassessing real estate annually and personal property annually.

H. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the City as land, buildings, infrastructure, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded as estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued) As of June 30, 2006

Note 1—Summary of Significant Accounting Policies: (Continued)

H. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest attributable to capitalized asset as of June 30, 2006 was immaterial.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements other than buildings	20
Infrastructure	
Roads	30
Bridges and culverts	50
Water/sewer system	40
Equipment	3-10

I. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the statement of activities and a long-term obligation in the Statement of Net Assets. In accordance with the provisions of Government Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to received sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement.

J. Retirement Plan

Retirement plan contributions are actuarially determined and consist of current service costs and amortization of prior service cost over a 30-year period. The City’s policy is to fund pension cost as it accrues.

K. Use of Estimates

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Notes to Financial Statements (Continued)
As of June 30, 2006

Note 1—Summary of Significant Accounting Policies: (Continued)

L. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

M. Net Assets

Net assets are the difference between assets and liabilities. Net assets invested in capital assets represent capital assets, less accumulated depreciation less any outstanding debt related to the acquisition, construction or improvement of those assets.

N. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligation are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Prepaid Items

Prepaid expenditures in governmental funds are offset by reservation of fund balance.

P. Inventory

Inventory is valued at cost using the weighted average method. Inventory consists of expendable supplies help for consumption and is recorded as expenditures when used (consumption method). In the Governmental Funds, inventory is equally offset by a fund balance reserve which indicates that it does not constitute "currently expendable financial resources".

Note 2—Stewardship, Compliance, and Accounting:

The following procedures are used by the City in establishing the budgetary data reflected in the financial statements:

1. The City Charter requires the City Manager to submit to the City Council an annual budget for the ensuing fiscal year at least 60 days prior to the beginning of such fiscal year.
2. A public hearing on the budget is held after a synopsis of the budget is published in a local newspaper of general circulation. After a public hearing, the City Council may change any item in the budget (other than debt service or items required by law). A budget resolution must be adopted by the City Council prior to June 30 or as soon thereafter as is practicable.
3. The City utilizes the budget resolution of budgetary control whereby City Council adopts budgets for estimated revenues and expenditures on a departmental basis for the General Fund. Adopted budgets may be amended or superseded by action of City Council.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued) As of June 30, 2006

Note 2—Stewardship, Compliance, and Accounting (Continued):

4. Budgets are also adopted by City Council for the Enterprise Funds. Budget to actual comparisons for these funds are not presented herein since there is no legal requirement for such presentation.
5. All operating budgets include proposed expenditures and the means of financing them. The City Manager has the authority to transfer amounts within the departments, so long as the total appropriation for a department is not adjusted. Budgeted amounts as presented in the financial statements reflect reallocations within budget categories through June 30, 2006.
6. Appropriation control is maintained at the department level. Appropriations lapse at year end. Encumbrances and reserved fund balances outstanding at year end are re-appropriated in the succeeding year.
7. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
8. Special revenue funds do not have an annual operating budget adopted by City Council except for the operating transfer to the Virginia Public Assistance Fund. Those operating transfers augment the state approved budget for the Virginia Public Assistance Fund.

Expenditures and Appropriations

Expenditures exceeded appropriations in the following departments:

Department	Budget	Actual	Overexceed Amount
City Attorney	\$ 125,200	\$ 185,168	\$ 59,968
City Shop	211,441	228,321	16,880
Courthouse	320,000	356,257	36,257

Note 3—Deposits and Investments:

Deposits

All cash of the primary government is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act (a multiple financial institution collateral pool), Section 2.2-4400 et. seq. of the Code of Virginia or covered by federal depository insurance. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and Loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. Deposits covered by the Act are considered insured since the Treasury Board is authorized to make additional assessments.

Investments

Statutes authorize the City to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued) As of June 30, 2006

Note 3—Deposits and Investments: (Continued)

Credit Risk of Debt Securities

The City's rated debt investments as of June 30, 2006 were rated by Standard and Poor's and the ratings are presented below using the Standard and Poor's rating scale. The City's investment policy has an emphasis on high credit quality and known marketability. Holdings of commercial paper are not allowed to exceed thirty-five percent of the investment portfolio, and not more than 5% per issuer.

Locality's Rated Debt Investments' Values

Rated Debt Investments	Fair Quality Ratings								
	AAA	AAAm	AA	AA-	A+	A	A-1+	A-	AGY
Local Government Investment Pool	\$ -	\$ 19,426,711	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Agency Securities	-	-	-	-	-	-	-	-	5,285,659
Virginia State Non-Arbitrage Pool	-	2,877,451	-	-	-	-	-	-	-
Corporate Bond	-	-	249,033	464,862	1,239,220	673,544	-	146,142	-
Asset Backed	512,852	-	-	-	-	-	-	-	-
Commercial Paper	-	-	-	-	-	-	397,609	-	-
Repurchase Agreements - Underlying: U.S. Agency Securities	-	-	-	-	-	-	3,799,063	-	-
Total	\$ 512,852	\$ 22,304,162	\$ 249,033	\$ 464,862	\$ 1,239,220	\$ 673,544	\$ 4,196,672	\$ 146,142	\$ 5,285,659

Interest Rate Risk

According to the City's investment policy, every effort shall be made to manage investment maturities to precede or coincide with the expected need for funds.

Investment Maturities (in years)

Investment Type	Fair Value	Less Than	
		1 Year	1-5 Years
Virginia State Non-Arbitrage Pool	\$ 2,877,451	\$ 2,877,451	\$ -
U.S. Agency Securities	5,285,659	3,303,476	1,982,183
Corporate Bond	2,772,801	3,169,191	396,390
Asset Backed	512,852	165,170	347,682
Commercial Paper	397,609	397,609	-
Repurchase Agreements - Underlying: U.S. Agency Securities	3,799,063	3,799,063	-
Total	\$ 15,645,435	\$ 13,711,960	\$ 2,726,255

External Investment Pools

The State Non-Arbitrage Pool (SNAP) is an open-end management investment company registered with the Securities and Exchange Commission (SEC). The fair value of the positions in the Local Government Investment Pool (LGIP) is the same as the value of the pool shares. As this pool is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP maintains a policy to operate in a manner consistent with SEC Rule 2a-7.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2006

Note 4—Due from Other Governments:

At June 30, 2006, the City has receivables from other governments as follows:

	Primary Government
Other Local Governments:	
County of James City	\$ 9,825
Commonwealth of Virginia:	
Street and highway maintenance	196,752
Local sales tax	827,478
Social Services	29,615
Federal Government:	
Transportation	12,802
Social Services	70,857
Total	<u>\$ 1,147,329</u>

Note 5—Interfund Obligations:

Details of the Primary Government's interfund receivables and payables as of June 30, 2006 are as follows:

Fund	Interfund Receivables	Interfund Payables
General	\$ 54,837	\$ -
Virginia Public Assistance	-	23,102
Proprietary	-	31,735
Total	<u>\$ 54,837</u>	<u>\$ 54,837</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Note 6—Notes Receivable:

The City has three non-interest bearing notes receivable for \$150,000, \$110,000, and \$277,005 due from the Williamsburg Redevelopment and Housing Authority secured by deeds of trust. The notes are due on the sale of the respective properties.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2006

Note 7—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2006:

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
<i>Governmental activities:</i>				
Capital assets not subject to depreciation:				
Land and land improvements	\$ 17,268,377	\$ -	\$ 8,651,042	\$ 8,617,335
Construction in progress	982,758	2,340,507	134,460	3,188,805
Total capital assets not subject to depreciation	<u>\$ 18,251,135</u>	<u>\$ 2,340,507</u>	<u>\$ 8,785,502</u>	<u>\$ 11,806,140</u>
Capital assets subject to depreciation:				
Buildings	\$ 28,608,602	\$ -	\$ -	\$ 28,608,602
Improvements other than buildings	8,169,068	1,440,101	-	9,609,169
Infrastructure	37,399,303	2,232,844	-	39,632,147
Equipment	5,489,623	557,932	112,436	5,935,119
Total capital assets subject to depreciation	<u>\$ 79,666,596</u>	<u>\$ 4,230,877</u>	<u>\$ 112,436</u>	<u>\$ 83,785,037</u>
Less accumulated depreciation for:				
Buildings	\$ 7,954,479	\$ 714,467	\$ -	\$ 8,668,946
Improvements other than buildings	2,981,629	388,011	-	3,369,640
Infrastructure	21,454,625	462,903	-	21,917,528
Equipment	3,820,480	466,679	217,010	4,070,149
Total accumulated depreciation	<u>\$ 36,211,213</u>	<u>\$ 2,032,060</u>	<u>\$ 217,010</u>	<u>\$ 38,026,263</u>
Total capital assets subject to depreciation, net	<u>\$ 43,455,383</u>	<u>\$ 2,198,817</u>	<u>\$ (104,574)</u>	<u>\$ 45,758,774</u>
Governmental activities capital assets, net	<u>\$ 61,706,518</u>	<u>\$ 4,539,324</u>	<u>\$ 8,680,928</u>	<u>\$ 57,564,914</u>

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2006**Note 7—Capital Assets: (Continued)**

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
<i>Business-type activities:</i>				
Capital assets not subject to depreciation:				
Land and land improvements	\$ 8,419,917	\$ -	\$ -	\$ 8,419,917
Open easement	653,800	-	-	653,800
Total capital assets not subject to depreciation	9,073,717	-	-	9,073,717
Capital assets subject to depreciation:				
Buildings	\$ 9,873,788	\$ 11,866	\$ -	\$ 9,885,654
Improvements other than buildings	5,964,740	96,115	11,866	6,048,989
Equipment	925,541	62,304	33,492	954,353
Total capital assets subject to depreciation	\$ 16,764,069	\$ 170,285	\$ 45,358	\$ 16,888,996
Less accumulated depreciation for:				
Buildings	\$ 4,868,563	\$ 197,810	\$ 379,999	\$ 4,686,374
Improvements other than buildings	3,749,217	476,415	-	4,225,632
Equipment	560,703	80,091	36,548	604,246
Total accumulated depreciation	\$ 9,178,483	\$ 754,316	\$ 416,547	\$ 9,516,252
Total capital assets subject to depreciation, net	\$ 7,585,586	\$ (584,031)	\$ (371,189)	\$ 7,372,744
Business-type activities capital assets, net	\$ 16,659,303	\$ (584,031)	\$ (371,189)	\$ 16,446,461

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2006

Note 7—Capital Assets: (Continued)

Depreciation expense was charged to functions/programs/funds as follows:

Governmental activities:		
General government	\$	922,255
Public safety		299,906
Public works		601,759
Health and welfare		9,639
Parks, recreation and cultural		187,383
Community development		<u>11,118</u>
Total depreication expense - governmental activities	\$	<u>2,032,060</u>
Business-type activites:		
Water and sewer	\$	<u>754,316</u>

Note 8— Interfund Transfers:

Interfund transfers for the year ended June 30, 2006, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 543,284
Special Revenue Fund:		
Virginia Public Assistance Fund	540,000	-
Law Enforcement Block Grant Fund	<u>3,284</u>	<u>-</u>
Total	<u>\$ 543,284</u>	<u>\$ 543,284</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2006

Note 9—Long-Term Obligations:

Annual requirements to amortize long-term obligations and related interest are as follows:

	Amounts Payable at July 1, 2005	Increases	Decreases	Amounts Payable at June 30, 2006	Amounts Due Within One Year
<i>Primary Government:</i>					
<i>Governmental Obligations:</i>					
General obligation bonds	\$ 18,413,000	\$ -	\$ 5,872,179	\$ 12,540,821	\$ 992,425
Note payable	1,300,000	-	-	1,300,000	-
Compensated absences	568,960	358,295	170,650	756,605	420,686
Total Governmental obligations	<u>\$ 20,281,960</u>	<u>\$ 358,295</u>	<u>\$ 6,042,829</u>	<u>\$ 14,597,426</u>	<u>\$ 1,413,111</u>
<i>Business-Type Activities:</i>					
<i>Enterprise Obligations:</i>					
General obligation bonds	\$ 6,938,851	\$ -	\$ 273,801	\$ 6,665,050	\$ 5,965,049
Compensated absences	89,762	25,973	6,599	109,136	54,297
Total Enterprise obligations:	<u>\$ 7,028,613</u>	<u>\$ 25,973</u>	<u>\$ 280,400</u>	<u>\$ 6,774,186</u>	<u>\$ 6,019,346</u>

Annual debt service requirements to maturity for general obligation bonds and notes payable are as follows:

Year Ended June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2007	\$ 992,425	\$ 557,570	\$ 5,965,049	\$ 174,000
2008	2,314,249	486,225	133,333	32,084
2009	1,036,704	413,846	133,333	25,319
2010	1,064,816	370,670	133,333	18,641
2011	1,088,610	326,357	133,333	11,963
2012 - 2016	4,380,626	1,053,273	166,669	6,486
2017 - 2020	2,963,391	272,395	-	-
Total	<u>\$ 13,840,821</u>	<u>\$ 3,480,336</u>	<u>\$ 6,665,050</u>	<u>\$ 268,493</u>

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)

As of June 30, 2006

Note 9—Long-Term Obligations: (Continued)

Details of long-term indebtedness are as follows:

Long-Term Obligations, Governmental Activities:

General Obligation Bonds :

The City authorized and issued a \$2,500,000 general obligation bond for the purpose of financing the construction of a parking garage. The bond bears interest at 4.55%. Interest is payable semi-annually and principal is to be repaid in annual installments and matures January 15, 2017.

Total Amount
\$ 1,990,000

The City authorized and issued a \$4,000,000 general obligation bond for the purpose of financing several public improvement projects payable in principal installments of \$66,666 plus interest at a variable rate equal to the London Interbank Offered Rate (LIBOR) minus 1.40%. Payments are due the first day of each March, June, September, and December through June 2012.

1,666,667

The City authorized and issued a \$2,000,000 general obligation bond in August 1997 for capital improvements. The bond is payable in quarterly principal installments of \$133,333 plus interest at a fixed rate of 4.94%. Payments are due the first day of each March, June September, and December through September 2012.

833,334

The City Authorized and issued \$8,500,000 general obligation bond in April 2005 for the purpose of prepayment on \$4,500,000 note pertaining to the Prince George Parking Garage and to finance the construction of a new High School. The bond is payable in annual principal installments plus semi-annual interest payments at a fixed rate of 3.76%. Payments are due the first day of April. Payments began October 1, 2005 and end April 2020.

8,050,820

Total general obligation bonds

\$ 12,540,821

Note Payable :

The City signed a \$1,300,000 note for a parcel of land with improvements with interest only payments at a rate of 4.62% due monthly. The note matures on January 1, 2008.

\$ 1,300,000

Compensated absences (payable from General Fund)

\$ 756,605

Total Long-Term Obligations, Governmental Activities

\$ 14,597,426

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2006

Note 9—Long-Term Obligations: (Continued)

Long-Term Obligations, Business-Type Activities:

General Obligation Bonds :

General obligation bond for the purpose of re-financing another general obligation bond that was used for the acquisition of real estate for watershed protection in the Waller Mill Reservoir Watershed and to pay costs associated with the issuance of the bond. Principal is due January 15, 2007. Interest is payable at a rate equal to 68% of the 30-day LIBOR rate plus 22 basis points.

Total Amount
\$ 5,807,754

The City authorized and issued a \$2,000,000 general obligation bond in August 1997 for the purpose of improvements to the City's water filtration plant. The bond is payable in quarterly principal installments of \$133,333 plus interest at a fixed rate of 4.94%. Payments are due the first day of each March, June, September, and December through September 2012.

833,334

The City purchased an open space conservation easement and right of first refusal to purchase the property. The consideration is in the form of the City's nonnegotiable, unsecured, tax-exempt, general obligation bonds, payable in the principal amount of \$653,800, bearing interest at an annual rate of 4.00% with principal and interest paid monthly until August 2006.

23,962

Total general obligation bonds

\$ 6,665,050

Compensated absences (payable by Enterprise Fund)

\$ 109,136

Total Long-Term Obligations, Business-Type Activities

\$ 6,774,186

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued) As of June 30, 2006

Note 10—Deferred Revenue:

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$304,492 is comprised of the following:

Deferred Property Tax Revenue: Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$185,372 at June 30, 2006.

Prepaid Property Taxes: Property taxes due subsequent to June 30, 2006, but paid in advance by the tax payers totaled \$612 at June 30, 2006.

Other Deferred Revenue: Deferred revenue representing uncollected state and federal grants not available for funding of current expenditures totaled \$118,508 at June 30, 2006.

Note 11—Commitments and Contingencies:

Federal programs in which the City and all discretely presented component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, Audits of States and Local Governments and Non-Profit Organizations. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements.

While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

Note 12—Litigation:

At June 30, 2006, there were no matters of litigation involving the City or which would materially affect the City's financial position should any court decisions on pending matters not be favorable to such entities.

Note 13—Risk Management:

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City joined together with other local governments in Virginia to form the Virginia Municipal Liability Pool, a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The City pays annual premiums to the pool for its property, theft, auto liability, and general liability coverage. Settled claims for the City resulting from these risks have not exceeded insurance coverage for each of the past three years. There was no reduction in insurance coverage during fiscal year 2006.

The City is also participating member in the Virginia Municipal Group Self Insurance Association. This non-profit entity provides workers' compensation coverage in compliance with the Virginia Workers' Compensation code. Each Association member jointly and severally agrees to assume, pay and discharge any liability. The City pays Virginia Municipal Group contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued) As of June 30, 2006

Note 13—Risk Management: (Continued)

In the event of a loss deficit and depletion of all available excess insurance, the pool may assess all members in the proportion, which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. In addition, the City provides various surety bond coverage as required under regulations and at industry recommended levels.

The City has chosen to retain the risk associated with the employee's health insurance plan. Risk is retained at 100% up to an individual stop loss of \$60,000 for individual claims paid during the contract year. Premiums are paid for all eligible full time employees to a claims administrator who processes all claims. Any excess above the amount of the incurred but not reported (IBNR) claims at the end of the year are returned to the City. As of June 30, 2006, this balance is \$473,803. The annual liability for claims costs, including IBNR claims, is estimated during the annual renewal process each contract year (July 1 through June 30). The estimated claims cost is based on the prior year's experience as well as industry trends.

Changes in balances of health insurance claims liabilities during the past three years are as follows:

	Beginning Balance	Employer / Employee Payments	Interest Earned	Claims and Other Charges	Ending Balance
2006	\$ 576,716	\$ 1,061,922	\$ 24,043	\$ 1,188,878	\$ 473,803
2005	454,486	990,611	-	868,381	576,716
2004	274,509	923,723	-	743,746	454,486

Note 14—Defined Benefit Pension Plan:

Primary Government:

A. Plan Description

Name of Plan: Virginia Retirement System (VRS)
Identification of Plan: Agent and Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Administering Entity: Virginia Retirement System (System)

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating law enforcement officers, firefighters, and sheriffs) or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years of service for participating law enforcement officers, firefighters, and sheriffs) payable monthly for life in an amount equal to 1.7 percent of their average final compensation (AFC) for each year of credited service. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living increases, limited to 5% per year, beginning in their second year of retirement. AFC is defined as the highest consecutive 36 months of reported compensation. Participating law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2006

Note 14—Defined Benefit Pension Plan (Continued):

Primary Government: (Continued)

A. Plan Description (Continued)

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/pdf/2005AnnuRept.pdf> or obtained by writing to the System at P.O. Box 2500, Richmond, VA 23218-2500.

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. This 5% member contribution has been assumed by the employer. In addition, the City is required to contribute the remaining amounts necessary to fund participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The City's contribution rate (including member contribution) for the fiscal year ended 2006 was 14.25% of annual covered payroll.

C. Annual Pension Cost

For fiscal 2006, the City's annual pension cost of \$1,173,584 was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2003 actuarial valuation using the entry age normal actuarial cost method.

	City Employees
Valuation date	June 30, 2003
Actuarial cost method	Entry Age Normal
Amortization method	Level percent, open
Payroll growth rate	3%
Remaining amortization period	17 years
Asset valuation method	Modified market
Actuarial assumptions:	
Investment rate of return ¹	8.00%
Projected salary increases: ¹	
Non LEO Employees	4.25% to 6.10%
LEO Employees	4.50% to 5.75%
Cost-of-living adjustments	3.00%
¹ Includes inflation at 3%	

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2006

Note 14—Defined Benefit Pension Plan (Continued):

Primary Government: (Continued)

C. Annual Pension Cost (Continued)

Fiscal Year Ending	Annual Pension Cost (APC) (1)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2006	\$ 1,173,584	100%	\$ -
June 30, 2005	1,064,846	100%	-
June 30, 2004	725,515	100%	-

(1) Employer and employee portions

Note 15—Other Postemployment Benefits:

The City provides assistance to certain retirees, who participate in outside non-employer qualified health insurance plans, in the form of a supplemental payment for the cost of health insurance coverage. The payments are made to retirees who participated in the City's health insurance plan for at least ten consecutive years and who had either a minimum of 15 years of service or are disabled. The monthly amount of the supplemental payment is equal to \$4 for each year of service and cannot exceed \$120 per month. The supplement stops upon the death of the retiree or upon termination of the outside health insurance coverage.

The retiree health insurance supplement program was adopted by City Council effective as of January 1, 2002. As of June 30, 2006, there were 30 retirees receiving supplemental payments. The City finances the program on a pay-as-you-go basis. Total payments during the year were \$33,992.

Note 16—Surety Bonds:

The following Surety bonds are maintained by the City:

	Amount
<u>Fidelity and Deposit Company of Maryland</u>	
Philip F. Serra, Director of Finance	\$ 500,000
Judy Nightingale Fuqua, Commissioner of the Revenue	550,000
Betsy Woolridge, Clerk of Circuit Court	103,000
Robert Deeds, Sheriff	30,000
Employees of Constitutional officers - blanket bond	1,000,000
Police Department - blanket bond	100,000
All City of Williamsburg employees except Constitutional Officers and their subordinates and the Police Department	100,000

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2006

Note 17—Restatement of Fund Balance/Net Assets:

The following adjustments were made to beginning fund balance and Net Assets:

	General Fund	Virginia Public Assistance Fund	Enterprise Fund	Governmental Activities	Business-type Activities
Fund balances, as previously reported at June 30, 2005	\$ 30,616,683	\$ 130,387	\$ 14,863,605	\$ -	\$ -
Net assets, as previously reported at June 30, 2005	-	-	-	72,555,227	14,863,605
Adjustments:					
(Increase) decrease in compensated absences, for vacation leave caps not considered and FICA and sick leave not recorded	-	-	(15,255)	(125,463)	(15,255)
Remove liability for compensated absences from governmental funds	338,990	19,306	-	-	-
Remove liability for self insurance from the financial statements	576,716	-	-	576,716	-
Remove lease payable which is an operating lease payable	-	-	-	68,366	-
Remove capitalized assets which are associated with operating leases	-	-	-	(66,544)	-
Remove accumulated depreciation associated with operating leases	-	-	-	14,616	-
Fund balance / Net Assets, as adjusted at July 1, 2005	31,532,389	149,693	14,848,350	73,022,918	14,848,350

REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

***Presented budgets were prepared in accordance with
accounting principles generally accepted in the
United States of America***

City of Williamsburg, Virginia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
REVENUES				
General property taxes	\$ 8,771,000	\$ 8,835,620	\$ 9,208,667	\$ 373,047
Other local taxes	18,636,000	18,636,000	18,985,532	349,532
Permits, privilege fees, and regulatory licenses	200,000	200,000	275,741	75,741
Fines and forfeitures	241,300	241,300	229,779	(11,521)
Revenue from the use of money and property	938,700	938,700	1,382,688	443,988
Charges for services	344,666	344,666	361,161	16,495
Miscellaneous	342,900	616,804	640,764	23,960
Recovered costs	532,400	532,400	706,463	174,063
Intergovernmental revenues:				
Commonwealth	3,352,100	3,365,793	4,957,348	1,591,555
Federal	-	38,914	114,850	75,936
Total revenues	<u>\$ 33,359,066</u>	<u>\$ 33,750,197</u>	<u>\$ 36,862,993</u>	<u>\$ 3,112,796</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,532,133	\$ 2,527,541	\$ 2,636,419	\$ (108,878)
Judicial administration	320,000	320,000	356,257	(36,257)
Public safety	7,886,434	7,930,348	7,777,610	152,738
Public works	3,771,968	3,771,968	3,636,448	135,520
Health and welfare	448,403	452,995	450,930	2,065
Education	6,420,761	6,434,454	6,437,154	(2,700)
Parks, recreation, and cultural	2,116,038	2,116,038	2,038,969	77,069
Community development	5,044,293	5,108,913	4,908,287	200,626
Capital projects	15,347,507	19,359,451	5,774,358	13,585,093
Debt service:				
Principal retirement	5,921,746	5,921,746	5,872,179	49,567
Interest and other fiscal charges	514,934	514,934	505,332	9,602
Total expenditures	<u>\$ 50,324,217</u>	<u>\$ 54,458,388</u>	<u>\$ 40,393,943</u>	<u>\$ 14,064,445</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (16,965,151)</u>	<u>\$ (20,708,191)</u>	<u>\$ (3,530,950)</u>	<u>\$ 17,177,241</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (551,540)	\$ (551,540)	\$ (543,284)	\$ 8,256
Sale of capital assets	-	-	5,068,073	5,068,073
Total other financing sources and uses	<u>\$ (551,540)</u>	<u>\$ (551,540)</u>	<u>\$ 4,524,789</u>	<u>\$ 5,076,329</u>
Net change in fund balances	\$ (17,516,691)	\$ (21,259,731)	\$ 993,839	\$ 22,253,570
Fund balances - beginning, as restated	17,516,691	21,259,731	31,532,389	10,272,658
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,526,228</u>	<u>\$ 32,526,228</u>

City of Williamsburg, Virginia
Schedule of Pension Funding Progress
As of June 30, 2006

Primary Government:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets as % of AAL (2) / (3)	Annual Covered Payroll	UAAL as a % of Covered Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2005	\$ 32,348,698	\$ 39,044,073	\$ 6,695,375	82.85%	\$ 7,722,705	86.70%
6/30/2004	31,432,030	35,779,472	4,347,442	87.85%	7,483,762	58.09%
6/30/2003	30,940,656	32,977,544	2,036,888	93.82%	7,149,147	28.49%
6/30/2002	30,740,960	30,564,554	(176,406)	100.58%	6,841,914	-2.58%
6/30/2001	29,626,026	28,096,800	(1,529,226)	105.44%	6,439,813	-23.75%
6/30/2000	26,798,629	26,219,796	(578,833)	102.21%	6,241,551	-9.27%

City of Williamsburg, Virginia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006

	Virginia Public Assistance <u>Fund</u>	Law Enforcement Block <u>Grant</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 144,218	\$ 51,150	\$ 195,368
Due from other governmental units	100,472	5,411	105,883
Total assets	<u>\$ 244,690</u>	<u>\$ 56,561</u>	<u>\$ 301,251</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 8,116	\$ 8,116
Due to other funds	23,102	-	23,102
Deferred revenue	42,163	17,295	59,458
Total liabilities	<u>\$ 65,265</u>	<u>\$ 25,411</u>	<u>\$ 90,676</u>
Fund balances:			
Unreserved:			
Designated for subsequent expenditure	\$ 137,262	\$ 31,150	\$ 168,412
Designated for other	42,163	-	42,163
Total fund balances	<u>\$ 179,425</u>	<u>\$ 31,150</u>	<u>\$ 210,575</u>
Total liabilities and fund balances	<u>\$ 244,690</u>	<u>\$ 56,561</u>	<u>\$ 301,251</u>

City of Williamsburg, Virginia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2006

	Virginia Public Assistance <u>Fund</u>	Law Enforcement Block Grant <u>Fund</u>	<u>Total</u>
REVENUES			
Revenue from the use of money and property	\$ -	\$ 144	\$ 144
Miscellaneous	19,384	-	19,384
Intergovernmental revenues:			
Commonwealth	384,018	-	384,018
Federal	804,563	69,878	874,441
Total revenues	<u>\$ 1,207,965</u>	<u>\$ 70,022</u>	<u>\$ 1,277,987</u>
EXPENDITURES			
Current:			
Public safety	\$ -	\$ 43,008	\$ 43,008
Health and welfare	1,718,233	-	1,718,233
Total expenditures	<u>\$ 1,718,233</u>	<u>\$ 43,008</u>	<u>\$ 1,761,241</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (510,268)</u>	<u>\$ 27,014</u>	<u>\$ (483,254)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 540,000	\$ 3,284	\$ 543,284
Total other financing sources and uses	<u>\$ 540,000</u>	<u>\$ 3,284</u>	<u>\$ 543,284</u>
Net change in fund balances	\$ 29,732	\$ 30,298	\$ 60,030
Fund balances - beginning, as restated	149,693	852	150,545
Fund balances - ending	<u><u>\$ 179,425</u></u>	<u><u>\$ 31,150</u></u>	<u><u>\$ 210,575</u></u>

City of Williamsburg, Virginia
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2006

	Agency Funds					
	Williamsburg Regional Library Fund	Williamsburg Tricentennial Fund	Colonial CASA Fund	Economic Development Authority	Farmer's Market Fund	Total
ASSETS						
Cash and cash equivalents	\$ 28,324	\$ -	\$ 12,942	77,633	13,367	\$ 132,266
Investments, at fair value:						
Other investments	793,897	5,788	1,600	-	41,216	842,501
Total assets	<u>\$ 822,221</u>	<u>\$ 5,788</u>	<u>\$ 14,542</u>	<u>\$ 77,633</u>	<u>\$ 54,583</u>	<u>\$ 974,767</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 572	\$ -	\$ 546	\$ 1,118
Amounts held for others	822,221	5,788	13,970	77,633	54,037	973,649
Total liabilities	<u>\$ 822,221</u>	<u>\$ 5,788</u>	<u>\$ 14,542</u>	<u>\$ 77,633</u>	<u>\$ 54,583</u>	<u>\$ 974,767</u>

City of Williamsburg, Virginia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2006

Exhibit 16
Page 1 of 2

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<u>Williamsburg Regional Library:</u>				
ASSETS				
Cash and cash equivalents	\$ 44,520	\$ 5,818,511	\$ 5,834,707	\$ 28,324
Investments, at fair value:				
Other investments	-	793,897	-	793,897
Total assets	<u>\$ 44,520</u>	<u>\$ 6,612,408</u>	<u>\$ 5,834,707</u>	<u>\$ 822,221</u>
LIABILITIES				
Amounts held for others	\$ 44,520	\$ 6,612,408	\$ 5,834,707	\$ 822,221
Total liabilities	<u>\$ 44,520</u>	<u>\$ 6,612,408</u>	<u>\$ 5,834,707</u>	<u>\$ 822,221</u>
<u>Williamsburg Tricentennial Fund:</u>				
ASSETS				
Investments, at fair value:				
Other investments	\$ 5,557	\$ 231	\$ -	\$ 5,788
Total assets	<u>\$ 5,557</u>	<u>\$ 231</u>	<u>\$ -</u>	<u>\$ 5,788</u>
LIABILITIES				
Amounts held for others	\$ 5,557	\$ 231		\$ 5,788
Total liabilities	<u>\$ 5,557</u>	<u>\$ 231</u>	<u>\$ -</u>	<u>\$ 5,788</u>
<u>Colonial CASA Fund:</u>				
ASSETS				
Cash and cash equivalents	\$ 38,318	153,452	178,828	\$ 12,942
Investments, at fair value:				
Other investments	1,600	-	-	1,600
Total assets	<u>\$ 39,918</u>	<u>\$ 153,452</u>	<u>\$ 178,828</u>	<u>\$ 14,542</u>
LIABILITIES				
Accounts payable	\$ 28,258	572	28,258	\$ 572
Amounts held for others	11,660	152,880	150,570	13,970
Total liabilities	<u>\$ 39,918</u>	<u>\$ 153,452</u>	<u>\$ 178,828</u>	<u>\$ 14,542</u>

City of Williamsburg, Virginia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2006

Exhibit 16
Page 2 of 2

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<u>Economic Development Authority:</u>				
ASSETS				
Cash and cash equivalents	\$ 65,297	\$ 32,167	\$ 19,831	\$ 77,633
Total assets	65,297	32,167	19,831	77,633
LIABILITIES				
Accounts payable	\$ 292	\$ -	\$ 292	\$ -
Amounts held for others	65,005	32,167	19,539	77,633
Total liabilities	\$ 65,297	\$ 32,167	\$ 19,831	\$ 77,633
<u>Farmers' Market:</u>				
ASSETS				
Cash and cash equivalents	\$ 35,887	38,304	60,824	\$ 13,367
Investments, at fair value:				
Other investments	-	41,216	-	41,216
Total assets	\$ 35,887	\$ 79,520	\$ 60,824	\$ 54,583
LIABILITIES				
Accounts payable	\$ 461	\$ 546	\$ 461	\$ 546
Amounts held for others	35,426	78,974	60,363	54,037
Total liabilities	\$ 35,887	\$ 79,520	\$ 60,824	\$ 54,583
<u>Totals - All Agency Funds:</u>				
ASSETS				
Cash and cash equivalents	184,022	6,042,434	6,094,190	132,266
Investments, at fair value:				
Other investments	7,157	835,344	-	842,501
Total assets	191,179	6,877,778	6,094,190	974,767
LIABILITIES				
Accounts payable	29,011	1,118	29,011	1,118
Amounts held for others	162,168	6,876,660	6,065,179	973,649
Total liabilities	191,179	6,877,778	6,094,190	974,767

City of Williamsburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2006

Schedule 1
Page 1 of 3

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 6,830,000	\$ 6,894,620	\$ 7,333,851	\$ 439,231
Real and personal public service corporation taxes	300,600	300,600	281,026	(19,574)
Personal property taxes	323,200	323,200	398,846	75,646
Mobile home taxes	3,200	3,200	3,237	37
Business property taxes	1,269,000	1,269,000	1,143,727	(125,273)
Penalties	25,000	25,000	34,307	9,307
Interest	20,000	20,000	13,673	(6,327)
Total general property taxes	<u>\$ 8,771,000</u>	<u>\$ 8,835,620</u>	<u>\$ 9,208,667</u>	<u>\$ 373,047</u>
Other local taxes:				
Local sales and use taxes	\$ 4,200,000	\$ 4,200,000	\$ 4,303,203	\$ 103,203
Consumers' utility taxes	412,000	412,000	451,524	39,524
E-911 telephone taxes	240,000	240,000	245,767	5,767
Cellular phone taxes	185,000	185,000	189,097	4,097
Business license taxes	1,608,000	1,608,000	1,789,386	181,386
Utility license taxes	212,000	212,000	250,762	38,762
Bank stock taxes	130,000	130,000	168,696	38,696
Taxes on recordation and wills	185,000	185,000	387,953	202,953
Hotel and motel room taxes	3,900,000	3,900,000	3,787,611	(112,389)
Restaurant food taxes	5,500,000	5,500,000	5,600,162	100,162
\$2 lodging taxes	1,800,000	1,800,000	1,595,664	(204,336)
Tobacco taxes	250,000	250,000	184,080	(65,920)
Penalty and interest on other local taxes	14,000	14,000	31,627	17,627
Total other local taxes	<u>\$ 18,636,000</u>	<u>\$ 18,636,000</u>	<u>\$ 18,985,532</u>	<u>\$ 349,532</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 500	\$ 500	\$ 1,660	\$ 1,160
Land use application fees	2,000	2,000	6,250	4,250
Transfer fees	300	300	1,538	1,238
Permits and other licenses	197,200	197,200	266,293	69,093
Total permits, privilege fees, and regulatory licenses	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 275,741</u>	<u>\$ 75,741</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 241,300	\$ 241,300	\$ 229,779	\$ (11,521)
Revenue from use of money and property:				
Revenue from use of money	\$ 570,000	\$ 570,000	\$ 931,410	\$ 361,410
Revenue from use of property	368,700	368,700	451,278	82,578
Total revenue from use of money and property	<u>\$ 938,700</u>	<u>\$ 938,700</u>	<u>\$ 1,382,688</u>	<u>\$ 443,988</u>
Charges for services:				
Charges for law enforcement and traffic control	\$ 1,366	\$ 1,366	\$ 1,366	\$ -
Charges for Commonwealth's Attorney	500	500	394	(106)
Charges for parks and recreation	297,000	297,000	302,835	5,835
Charges for planning and community development	45,800	45,800	56,566	10,766
Total charges for services	<u>\$ 344,666</u>	<u>\$ 344,666</u>	<u>\$ 361,161</u>	<u>\$ 16,495</u>
Miscellaneous revenue:				
Miscellaneous	\$ 342,900	\$ 616,804	\$ 640,764	\$ 23,960

City of Williamsburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2006

Schedule 1
Page 2 of 3

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Recovered costs:				
Enterprise fund	\$ 510,000	\$ 510,000	\$ 541,735	\$ 31,735
Overtime - police and fire	22,400	22,400	45,153	22,753
Stormwater management	-	-	51,200	51,200
James City County	-	-	68,375	68,375
Total recovered costs	<u>\$ 532,400</u>	<u>\$ 532,400</u>	<u>\$ 706,463</u>	<u>\$ 174,063</u>
Total revenue from local sources	<u>\$ 30,006,966</u>	<u>\$ 30,345,490</u>	<u>\$ 31,790,795</u>	<u>\$ 1,445,305</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
ABC profits	\$ 7,034	\$ 7,034	\$ 7,034	\$ -
Wine taxes	7,373	7,373	7,373	-
Mobile home titling tax	580	580	70	(510)
Rolling stock tax	5,080	5,080	6,785	1,705
Motor vehicle rental tax	7,500	7,500	11,528	4,028
Grantors tax	64,133	64,133	65,619	1,486
Personal property tax relief funds	686,800	686,800	830,831	144,031
Total noncategorical aid	<u>\$ 778,500</u>	<u>\$ 778,500</u>	<u>\$ 929,240</u>	<u>\$ 150,740</u>
Categorical aid:				
Shared expenses:				
Commissioner of revenue	\$ 67,000	\$ 67,000	\$ 77,082	\$ 10,082
Treasurer	18,000	18,000	20,316	2,316
Medical examiner	120	120	570	450
Registrar/electoral board	38,000	38,000	45,445	7,445
Total shared expenses	<u>\$ 123,120</u>	<u>\$ 123,120</u>	<u>\$ 143,413</u>	<u>\$ 20,293</u>
Other categorical aid:				
599 Funds	\$ 366,765	\$ 366,765	\$ 366,764	\$ (1)
Streets and sidewalks	1,169,564	1,169,564	1,229,662	60,098
EMS funds - 4 for life	5,500	5,500	11,029	5,529
Litter control grant	4,375	4,375	6,568	2,193
Arts commission grant	73,375	73,375	5,000	(68,375)
State school construction funds	102,961	102,961	103,112	151
Virginia department of transportation	-	-	1,402,975	1,402,975
Fire programs	16,000	16,000	50,810	34,810
Wireless E-911	-	-	12,470	12,470
State sales tax	707,940	721,633	696,305	(25,328)
Other categorical aid	4,000	4,000	-	(4,000)
Total other categorical aid	<u>\$ 2,450,480</u>	<u>\$ 2,464,173</u>	<u>\$ 3,884,695</u>	<u>\$ 1,420,522</u>
Total categorical aid	<u>\$ 2,573,600</u>	<u>\$ 2,587,293</u>	<u>\$ 4,028,108</u>	<u>\$ 1,440,815</u>
Total revenue from the Commonwealth	<u>\$ 3,352,100</u>	<u>\$ 3,365,793</u>	<u>\$ 4,957,348</u>	<u>\$ 1,591,555</u>
Revenue from the federal government:				
Categorical aid:				
Community development block grant	\$ -	\$ -	\$ 73,825	\$ 73,825
State and community highway safety grant	-	38,914	26,076	(12,838)

City of Williamsburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2006

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from the federal government: (Continued)				
Categorical aid: (Continued)				
State domestic preparedness equipment support program	\$ -	\$ -	\$ 14,949	\$ 14,949
Total categorical aid	<u>\$ -</u>	<u>\$ 38,914</u>	<u>\$ 114,850</u>	<u>\$ 75,936</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ 38,914</u>	<u>\$ 114,850</u>	<u>\$ 75,936</u>
Total General Fund	<u>\$ 33,359,066</u>	<u>\$ 33,750,197</u>	<u>\$ 36,862,993</u>	<u>\$ 3,112,796</u>
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,384</u>	<u>\$ 19,384</u>
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ -	\$ -	\$ 349,720	\$ 349,720
Comprehensive services act	-	-	34,298	34,298
Total categorical aid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 384,018</u>	<u>\$ 384,018</u>
Total revenue from the Commonwealth	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 384,018</u>	<u>\$ 384,018</u>
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 804,563</u>	<u>\$ 804,563</u>
Total Virginia Public Assistance Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,207,965</u>	<u>\$ 1,207,965</u>
Law Enforcement Block Grant Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144</u>	<u>\$ 144</u>
Revenue from the federal government:				
Categorical aid:				
State domestic preparedness equipment support program	\$ -	\$ 67,173	\$ 60,027	\$ (7,146)
Edward Bryne memorial formula grant program	-	-	9,851	9,851
Total categorical aid	<u>\$ -</u>	<u>\$ 67,173</u>	<u>\$ 69,878</u>	<u>\$ 2,705</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ 67,173</u>	<u>\$ 69,878</u>	<u>\$ 2,705</u>
Total Law Enforcement Block Grant	<u>\$ -</u>	<u>\$ 67,173</u>	<u>\$ 70,022</u>	<u>\$ 2,849</u>
Total Primary Government	<u>\$ 33,359,066</u>	<u>\$ 33,817,370</u>	<u>\$ 38,140,980</u>	<u>\$ 4,323,610</u>

City of Williamsburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2006

Schedule 2
Page 1 of 3

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
City council	\$ 151,563	\$ 151,563	\$ 139,559	\$ 12,004
Clerk of council	85,054	85,054	82,146	2,908
Total legislative	<u>\$ 236,617</u>	<u>\$ 236,617</u>	<u>\$ 221,705</u>	<u>\$ 14,912</u>
General and financial administration:				
City manager	\$ 650,256	\$ 645,664	\$ 623,607	\$ 22,057
City attorney	125,200	125,200	185,168	(59,968)
Commissioner of revenue	178,615	178,615	172,258	6,357
Assessor	147,602	147,602	147,230	372
Treasurer	47,619	47,619	43,740	3,879
Director of finance	819,268	819,268	800,820	18,448
Automotive/motor pool	211,441	211,441	228,321	(16,880)
Other general and financial administration	-	-	102,913	(102,913)
Total general and financial administration	<u>\$ 2,180,001</u>	<u>\$ 2,175,409</u>	<u>\$ 2,304,057</u>	<u>\$ (128,648)</u>
Board of elections:				
Electoral board and officials	\$ 24,950	\$ 24,950	\$ 24,081	\$ 869
Registrar	90,565	90,565	86,576	3,989
Total board of elections	<u>\$ 115,515</u>	<u>\$ 115,515</u>	<u>\$ 110,657</u>	<u>\$ 4,858</u>
Total general government administration	<u>\$ 2,532,133</u>	<u>\$ 2,527,541</u>	<u>\$ 2,636,419</u>	<u>\$ (108,878)</u>
Judicial administration:				
Courts:				
Circuit court	\$ 320,000	\$ 320,000	\$ 356,257	\$ (36,257)
Public safety:				
Law enforcement and traffic control:				
Police department	\$ 2,948,397	\$ 2,976,671	\$ 2,894,730	\$ 81,941
Prince George parking garage	104,072	104,072	99,745	4,327
E-911	554,256	554,256	546,814	7,442
Total law enforcement and traffic control	<u>\$ 3,606,725</u>	<u>\$ 3,634,999</u>	<u>\$ 3,541,289</u>	<u>\$ 93,710</u>
Fire and rescue services:				
Fire department	<u>\$ 2,765,375</u>	<u>\$ 2,781,015</u>	<u>\$ 2,741,472</u>	<u>\$ 39,543</u>
Correction and detention:				
Juvenile detention commission	\$ 125,347	\$ 125,347	\$ 125,530	\$ (183)
Regional jail	875,000	875,000	882,633	(7,633)
Group home commission	50,466	50,466	50,466	-
Total correction and detention	<u>\$ 1,050,813</u>	<u>\$ 1,050,813</u>	<u>\$ 1,058,629</u>	<u>\$ (7,816)</u>
Inspections:				
Building	<u>\$ 433,796</u>	<u>\$ 433,796</u>	<u>\$ 415,423</u>	<u>\$ 18,373</u>
Other protection:				
Animal control	\$ 24,000	\$ 24,000	\$ 14,745	\$ 9,255
Medical examiner	150	150	900	(750)
Emergency services (civil defense)	5,575	5,575	5,152	423
Total other protection	<u>\$ 29,725</u>	<u>\$ 29,725</u>	<u>\$ 20,797</u>	<u>\$ 8,928</u>

City of Williamsburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2006

Schedule 2
Page 2 of 3

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Total public safety	\$ 7,886,434	\$ 7,930,348	\$ 7,777,610	\$ 152,738
General Fund: (Continued)				
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	\$ 1,525,029	\$ 1,525,029	\$ 1,452,086	\$ 72,943
Engineering	219,706	219,706	214,937	4,769
Total maintenance of highways, streets, bridges & sidewalks	<u>\$ 1,744,735</u>	<u>\$ 1,744,735</u>	<u>\$ 1,667,023</u>	<u>\$ 77,712</u>
Sanitation and waste removal:				
Refuse collection	\$ 788,800	\$ 788,800	\$ 776,252	\$ 12,548
Maintenance of general buildings and grounds:				
Maintenance of general buildings and grounds	\$ 446,812	\$ 446,812	\$ 420,708	\$ 26,104
Rental properties	13,282	13,282	3,215	10,067
Landscaping	503,339	503,339	502,376	963
Information technology	275,000	275,000	266,874	8,126
Total maintenance of general buildings and grounds	<u>\$ 1,238,433</u>	<u>\$ 1,238,433</u>	<u>\$ 1,193,173</u>	<u>\$ 45,260</u>
Total public works	<u>\$ 3,771,968</u>	<u>\$ 3,771,968</u>	<u>\$ 3,636,448</u>	<u>\$ 135,520</u>
Health and welfare:				
Health:				
Local health department	\$ 223,200	\$ 227,792	\$ 227,792	\$ -
Mosquito control	7,950	7,950	7,462	488
Total health	<u>\$ 231,150</u>	<u>\$ 235,742</u>	<u>\$ 235,254</u>	<u>\$ 488</u>
Mental health and mental retardation:				
Administration - mental health and mental retardation	\$ 210,607	\$ 210,607	\$ 210,607	\$ -
Welfare:				
Public assistance	\$ 3,146	\$ 3,146	\$ 1,586	\$ 1,560
Transportation programs for elderly	3,500	3,500	3,483	17
Total welfare	<u>\$ 6,646</u>	<u>\$ 6,646</u>	<u>\$ 5,069</u>	<u>\$ 1,577</u>
Total health and welfare	<u>\$ 448,403</u>	<u>\$ 452,995</u>	<u>\$ 450,930</u>	<u>\$ 2,065</u>
Education:				
Other instructional costs:				
Contribution to local school board	\$ 6,420,761	\$ 6,434,454	\$ 6,437,154	\$ (2,700)
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 432,546	\$ 432,546	\$ 427,625	\$ 4,921
Maintenance of parks and recreation	219,904	219,904	211,492	8,412
Recreation facility	608,284	608,284	558,943	49,341
Cemeteries	50,496	50,496	44,329	6,167
Total parks and recreation	<u>\$ 1,311,230</u>	<u>\$ 1,311,230</u>	<u>\$ 1,242,389</u>	<u>\$ 68,841</u>
Library:				
Contribution to regional library	\$ 804,808	\$ 804,808	\$ 796,580	\$ 8,228
Total parks, recreation, and cultural	<u>\$ 2,116,038</u>	<u>\$ 2,116,038</u>	<u>\$ 2,038,969</u>	<u>\$ 77,069</u>

City of Williamsburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2006

Schedule 2
Page 3 of 3

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Community development:				
Planning and community development:				
Planning	\$ 454,195	\$ 454,195	\$ 384,237	\$ 69,958
Community development	4,453,348	4,517,968	4,313,512	204,456
Other community development	-	-	73,825	(73,825)
Arts commission	136,750	136,750	136,713	37
Total planning and community development	<u>\$ 5,044,293</u>	<u>\$ 5,108,913</u>	<u>\$ 4,908,287</u>	<u>\$ 200,626</u>
Total community development	<u>\$ 5,044,293</u>	<u>\$ 5,108,913</u>	<u>\$ 4,908,287</u>	<u>\$ 200,626</u>
Capital projects:				
Other capital projects	<u>\$ 15,347,507</u>	<u>\$ 19,359,451</u>	<u>\$ 5,774,358</u>	<u>\$ 13,585,093</u>
Debt service:				
Principal retirement	\$ 5,921,746	\$ 5,921,746	\$ 5,872,179	\$ 49,567
Interest and other fiscal charges	514,934	514,934	505,332	9,602
Total debt service	<u>\$ 6,436,680</u>	<u>\$ 6,436,680</u>	<u>\$ 6,377,511</u>	<u>\$ 59,169</u>
Total General Fund	<u>\$ 50,324,217</u>	<u>\$ 54,458,388</u>	<u>\$ 40,393,943</u>	<u>\$ 14,064,445</u>
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ -	\$ -	\$ 948,043	\$ (948,043)
Public Assistance	-	-	639,413	(639,413)
Comprehensive services	-	-	100,820	(100,820)
Other welfare and social services	-	-	29,957	(29,957)
Total welfare and social services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,718,233</u>	<u>\$ (1,718,233)</u>
Total health and welfare	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,718,233</u>	<u>\$ (1,718,233)</u>
Total Virginia Public Assistance Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,718,233</u>	<u>\$ (1,718,233)</u>
Law Enforcement Block Grant Fund:				
Public safety:				
Other protection:				
Other protection	<u>\$ -</u>	<u>\$ 67,173</u>	<u>\$ 43,008</u>	<u>\$ 24,165</u>
Total Law Enforcement Block Grant Fund	<u>\$ -</u>	<u>\$ 67,173</u>	<u>\$ 43,008</u>	<u>\$ 24,165</u>
Total Primary Government	<u>\$ 50,324,217</u>	<u>\$ 54,525,561</u>	<u>\$ 42,155,184</u>	<u>\$ 12,370,377</u>

City of Williamsburg, Virginia
Net Assets by Component,
Last Five Fiscal Years
(accrual basis of accounting)

Table 1

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities					
Invested in capital assets, net of related debt	\$37,815,608	\$43,829,109	\$48,294,124	\$41,977,081	\$43,724,093
Restricted	13,440,000	-	-	-	-
Unrestricted	12,467,098	22,305,527	20,819,991	30,578,146	32,119,103
Total governmental activities net assets	<u>\$63,722,706</u>	<u>\$66,134,636</u>	<u>\$69,114,115</u>	<u>\$72,555,227</u>	<u>\$75,843,196</u>
Business-type activities					
Invested in capital assets, net of related debt	\$7,674,707	\$8,525,848	\$8,755,781	\$9,720,452	\$9,781,412
Unrestricted	5,073,966	4,916,024	5,790,053	5,143,153	5,454,407
Total business-type activities net assets	<u>\$12,748,673</u>	<u>\$13,441,872</u>	<u>\$14,545,834</u>	<u>\$14,863,605</u>	<u>\$15,235,819</u>
Primary government					
Invested in capital assets, net of related debt	\$45,490,315	\$52,354,957	\$57,049,905	\$51,697,533	\$53,505,505
Restricted	13,440,000	-	-	-	-
Unrestricted	17,541,064	27,221,551	26,610,044	35,721,299	37,573,510
Total primary government net assets	<u>\$76,471,379</u>	<u>\$79,576,508</u>	<u>\$83,659,949</u>	<u>\$87,418,832</u>	<u>\$91,079,015</u>

Note: The City began to report accrual information with implementation of GASB Statement 34 in Fiscal Year 2002

City of Williamsburg, Virginia
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

Table 2
Page 1 of 2

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses					
Governmental activities:					
General government administration	\$2,625,791	\$2,758,568	\$2,950,481	\$3,196,039	\$3,989,006
Judicial administration	293,703	273,154	293,222	308,361	356,257
Public safety	6,224,163	6,563,142	6,933,837	7,475,819	8,011,476
Public works	4,189,199	3,765,655	4,959,412	4,110,492	3,007,234
Health and welfare	1,600,391	1,809,216	1,991,478	2,065,153	2,180,922
Education	6,763,889	6,583,596	6,822,656	6,267,967	6,437,154
Parks, recreation and cultural	1,970,796	2,071,236	2,094,830	2,179,626	2,138,010
Community development	2,911,908	3,135,821	3,259,276	4,853,168	9,168,959
Nondepartmental	86,589	46,163	127,858	17,349	-
Interest expense	290,907	361,125	352,333	396,211	592,688
Total governmental activities expenses	<u>\$26,957,336</u>	<u>\$27,367,676</u>	<u>\$29,785,383</u>	<u>\$30,870,185</u>	<u>\$35,881,706</u>
Business-type activities					
Water and sewer services	\$4,501,762	\$4,098,596	\$3,838,917	\$3,983,571	\$4,230,185
Total business-type activities expenses	<u>4,501,762</u>	<u>4,098,596</u>	<u>3,838,917</u>	<u>3,983,571</u>	<u>4,230,185</u>
Total primary government expenses	<u>\$31,459,098</u>	<u>\$31,466,272</u>	<u>\$33,624,300</u>	<u>\$34,853,756</u>	<u>\$40,111,891</u>
Program Revenues (see Schedule 3)					
Governmental activities:					
Charges for services:					
General government administration*	\$782,709	\$862,919	\$1,027,386	\$1,228,597	\$-
Judicial administration	-	-	-	-	\$142,321
Public safety	465,780	508,864	559,545	582,729	364,959
Public works	136,975	12,071	50,199	11,403	-
Parks, recreation and cultural	291,421	297,674	270,705	316,991	302,835
Community development	58,293	51,694	59,418	58,428	56,566
Operating grants and contributions	3,114,585	3,307,596	4,808,926	3,718,194	5,224,480
Capital grants and contributions	205,859	102,974	102,924	102,922	176,937
Total governmental activities program revenues	<u>\$5,055,622</u>	<u>\$5,143,792</u>	<u>\$6,879,103</u>	<u>\$6,019,264</u>	<u>\$6,268,098</u>
Business-type activities:					
Charges for services:					
Water and sewer	\$4,802,684	\$4,721,388	\$4,890,679	\$4,195,671	\$4,379,515
Total business-type activities program revenues	<u>4,802,684</u>	<u>4,721,388</u>	<u>4,890,679</u>	<u>4,195,671</u>	<u>4,379,515</u>
Total primary government program revenues	<u>\$9,858,306</u>	<u>\$9,865,180</u>	<u>\$11,769,782</u>	<u>\$10,214,935</u>	<u>\$10,647,613</u>

* Beginning in FY 2006 use of property and miscellaneous income are not reported under the program revenues of General government administration.

City of Williamsburg, Virginia
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

Table 2
Page 1 of 2

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Net (Expense)/Revenue					
Governmental activities	(\$21,901,714)	(\$22,223,884)	(\$22,906,280)	(\$24,850,921)	(\$29,613,608)
Business-type activities	300,922	622,792	1,051,762	212,100	149,330
Total primary government net expense	(\$21,600,792)	(\$21,601,092)	(\$21,854,518)	(\$24,638,821)	(\$29,464,278)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
General property taxes	\$6,295,230	\$6,896,200	\$7,574,245	\$7,944,010	\$8,250,312
Sales taxes	4,468,174	3,818,105	4,240,721	4,219,603	4,303,203
Business property taxes	1,246,548	1,279,076	1,254,363	1,259,291	1,143,727
Consumer utility taxes	589,089	665,980	684,702	1,062,031	451,524
Business license taxes	1,634,995	1,655,221	1,639,065	1,757,085	1,789,386
Hotel and room taxes	4,114,010	3,974,894	3,996,782	3,695,937	3,787,611
\$2 lodging taxes	-	-	-	1,582,047	1,595,664
Meals taxes	5,338,967	5,262,677	5,420,516	5,394,509	5,600,162
Other local taxes	611,790	573,598	110,107	910,932	1,457,982
Use of Money & Property	832,461	472,859	965,258	465,369	1,382,832
Gain on sale of capital assets	337,264	37,204	-	1,220	1,082,095
Grants and contributions not restricted to specific programs	-	-	-	-	929,240
Miscellaneous	-	-	-	-	660,148
Transfers	50,000	-	-	-	-
Total governmental activities	25,518,528	24,635,814	25,885,759	28,292,034	32,433,886
Business-type activities:					
Investment earnings	123,220	70,407	52,200	105,671	202,622
Miscellaneous	-	-	-	-	35,517
Total business-type activities	123,220	70,407	52,200	105,671	238,139
Total primary government	\$25,641,748	\$24,706,221	\$25,937,959	\$28,397,705	\$32,672,025
Change in Net Assets					
Governmental activities	\$3,616,814	\$2,411,930	\$2,979,479	\$3,441,113	\$2,820,278
Business-type activities	424,142	693,199	1,103,962	317,771	387,469
Total primary government	\$4,040,956	\$3,105,129	\$4,083,441	\$3,758,884	\$3,207,747

Note: The City began to report accrual information when it implemented GASB Statement 34 in Fiscal Year 2002

City of Williamsburg, Virginia
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 3

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 543,605
Unreserved	<u>13,695,234</u>	<u>17,717,809</u>	<u>13,207,887</u>	<u>14,932,925</u>	<u>17,303,413</u>	<u>25,927,029</u>	<u>22,360,336</u>	<u>20,886,657</u>	<u>30,616,683</u>	<u>31,982,623</u>
Total general fund	<u>13,695,234</u>	<u>17,717,809</u>	<u>13,207,887</u>	<u>14,932,925</u>	<u>17,303,413</u>	<u>25,927,029</u>	<u>22,360,336</u>	<u>20,886,657</u>	<u>30,616,683</u>	<u>32,526,228</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	<u>73,021</u>	<u>105,658</u>	<u>180,070</u>	<u>129,187</u>	<u>117,577</u>	<u>225,323</u>	<u>162,486</u>	<u>141,922</u>	<u>131,239</u>	<u>210,575</u>
Total all other governmental funds	<u>73,021</u>	<u>105,658</u>	<u>180,070</u>	<u>129,187</u>	<u>117,577</u>	<u>225,323</u>	<u>162,486</u>	<u>141,922</u>	<u>131,239</u>	<u>210,575</u>

City of Williamsburg, Virginia
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

(modified accrual basis of accounting)

Table 4
Page 1 of 2

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Revenues										
Taxes	\$18,295,226	18,976,503	\$20,513,619	\$22,253,679	\$22,529,334	\$24,083,697	\$23,993,013	\$25,624,343	\$27,748,415	28,194,199
Licenses, fees, and permits	89,821	75,153	181,131	163,291	267,047	173,985	212,618	305,762	256,662	275,741
Fines and penalties	224,119	249,559	277,745	238,003	253,578	282,664	273,584	254,706	234,157	229,779
Interest earnings	821,605	963,997	825,655	726,379	987,325	877,741	509,695	154,762	464,761	931,410
Charges for services	274,979	322,281	315,841	334,812	319,808	341,113	345,348	317,845	365,026	361,161
Intergovernmental	2,873,786	1,919,385	2,109,082	2,206,669	2,224,003	2,211,804	2,306,054	3,654,043	2,603,923	5,072,198
Other revenues	428,096	406,582	578,475	984,039	1,117,931	1,152,182	1,027,827	1,117,425	1,334,780	1,798,505
Total revenues	23,007,632	22,913,460	24,801,548	26,906,872	27,699,026	29,123,186	28,668,139	31,428,886	33,007,724	36,862,993
Expenditures										
General government	\$1,330,163	\$1,386,301	\$2,078,313	\$1,899,725	\$1,932,875	\$1,952,376	\$2,040,718	\$2,172,065	\$2,290,766	\$2,636,419
Judicial	182,367	196,128	187,551	365,171	275,310	293,703	273,154	293,222	308,361	356,257
Police	2,276,086	2,299,467	2,424,243	2,639,281	2,733,728	2,850,557	2,861,260	3,072,285	3,499,854	3,541,289
Fire	1,797,734	1,850,292	1,830,578	1,965,668	2,114,910	2,150,348	2,216,034	2,335,061	2,531,801	2,741,472
Other public safety	1,503,038	1,047,631	884,229	926,642	842,889	969,896	1,135,888	1,182,040	1,274,946	1,494,849
Public works	2,098,272	2,221,939	2,377,712	2,807,153	2,902,339	3,078,356	2,853,272	4,454,010	3,628,476	3,636,448
Health and welfare	283,204	300,734	325,637	338,187	365,523	372,417	381,610	400,239	418,312	450,930
Education	5,167,459	5,217,086	5,640,109	5,809,163	6,496,149	6,763,889	6,518,691	6,734,071	6,267,967	6,437,154
Parks and recreation	905,045	952,000	972,978	982,119	1,012,865	1,069,304	1,137,105	1,169,003	1,254,125	1,242,389
Library	618,327	590,691	544,720	657,211	616,281	739,744	758,674	752,197	771,595	796,580
Community Development - <i>Note a</i>	1,756,847	1,854,532	1,940,397	2,786,386	2,846,217	2,898,086	2,932,800	2,989,506	4,852,663	4,908,287
Non-departmental	76,780	7,194	77,548	8,085	6,210	97,680	68,644	137,351	33,349	-
Capital projects	7,824,117	6,792,369	9,061,435	2,623,501	2,288,580	3,192,642	7,582,378	5,818,262	3,030,777	5,774,358
Debt Service										
Principal	388,000	721,133	788,000	788,000	788,000	788,000	908,000	5,413,000	918,000	5,872,179
Interest	103,521	367,248	329,230	345,542	323,094	290,907	361,125	352,333	437,444	505,332
Total expenditures	26,310,960	25,804,745	29,462,680	24,941,834	25,544,970	27,507,905	32,029,353	37,274,645	31,518,436	40,393,943
Excess of revenues over (under) expenditures	(3,303,328)	(2,891,285)	(4,661,132)	1,965,038	2,154,056	1,615,281	(3,361,214)	(5,845,759)	1,489,288	(3,530,950)

City of Williamsburg, Virginia
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

(modified accrual basis of accounting)

Table 4
Page 1 of 2

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Other Financing Sources (Uses)										
Bonds issued	\$ -	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 7,000,000	\$ -	\$ -	\$ 8,500,000	\$ -
Refunding bonds issued	-	-	-	-	-	-	-	4,500,000	-	-
Disposal of capital asset	-	-	-	-	-	-	-	-	12,975	-
Sale of capital assets	-	1,168,708	102,100	-	503,109	304,335	123,329	200,000	-	5,068,073
Capital leases	-	-	-	-	-	-	-	-	51,928	-
Transfers in	-	-	239,109	-	-	-	-	32,080	160,835	-
Transfers out	(276,307)	(254,848)	(190,000)	(240,000)	(338,473)	(296,000)	(328,808)	(360,000)	(485,000)	(543,284)
Total other financing sources (uses)	-276,307	6,913,860	151,209	-240,000	164,636	7,008,335	-205,479	4,372,080	8,240,738	4,524,789
Net change in fund balances	(\$3,579,635)	\$4,022,575	(\$4,509,923)	\$1,725,038	\$2,318,692	\$8,623,616	(\$3,566,693)	-\$1,473,679	\$9,730,026	\$993,839
Debt service as a percentage of noncapital expenditures	2.7%	6.1%	5.8%	5.4%	5.0%	4.6%	5.5%	22.4%	5.0%	22.6%

Note a: Beginning in FY 2004 the \$2 per night lodging tax (all passed thru to the Williamsburg Area Destination Marketing Committee) was initiated.

City of Williamsburg, Virginia
Tax Revenues by Source, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 5

Fiscal Year	Property ²	1% Sales & Use	Consumer Utility ¹	Business License	Franchise	Tobacco	Hotel & Motel	\$2 Lodging	Restaurant	Other	Total
1997	\$6,129,994	\$3,403,649	\$395,440	\$1,306,484	\$137,296	\$ -	\$2,967,212	\$ -	\$3,668,177	\$286,974	\$18,295,226
1998	6,117,764	3,527,210	427,959	1,354,180	169,695	-	3,238,538	-	3,890,755	250,402	18,976,503
1999	6,463,440	3,673,944	439,511	1,464,810	163,701	-	3,673,349	-	4,364,758	270,106	20,513,619
2000	6,829,694	3,782,864	473,066	1,535,238	180,902	-	4,097,054	-	5,075,742	279,119	22,253,679
2001	7,140,860	3,720,937	505,987	1,592,792	216,307	-	3,895,420	-	5,114,515	342,516	22,529,334
2002	7,577,391	4,368,379	589,089	1,622,735	194,633	-	4,114,010	-	5,318,886	298,574	24,083,697
2003	8,210,667	3,781,232	665,980	1,641,721	202,360	-	3,974,894	-	5,244,106	272,053	23,993,013
2004	8,869,569	4,210,450	684,702	1,628,458	225,716	305,729	3,996,782	-	5,393,776	309,161	25,624,343
2005	9,241,737	4,219,603	1,062,031	1,749,413	235,196	209,340	3,695,937	1,582,047	5,367,745	385,366	27,748,415
2006	10,039,498	4,303,203	886,388	1,789,386	250,762	184,080	3,787,611	1,595,664	5,600,162	640,764	29,077,518

¹ Wireless telecommunication taxes were initiated in FY 2004 - Significant delinquent telecommunications taxes were received in FY 2005 due to issues relating to jurisdiction identification by telephone companies

² For comparison with prior years, property tax revenues include Personal Property Tax Relief Act receipts of \$830,831 classified beginning in FY 2006 as State funds.

City of Williamsburg, Virginia
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Table 6

Fiscal Year	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate*
	Residential Property	Commercial Property ¹	Motor Vehicles ²	Other			
1997	\$412,293,500	\$666,092,600	\$22,525,109	\$28,881,860	\$342,535,000	\$787,258,069	\$4.04
1998	421,539,200	684,194,200	23,269,900	28,799,939	362,959,500	794,843,739	4.04
1999	436,450,300	728,174,300	24,737,810	31,587,690	371,983,400	848,966,700	4.04
2000	436,041,000	755,666,400	25,016,515	33,013,315	375,706,400	874,030,830	4.04
2001	465,605,100	775,000,400	28,216,550	35,481,423	377,238,400	927,065,073	4.04
2002	493,696,625	803,185,980	29,397,420	37,446,864	388,880,280	974,846,609	4.04
2003	543,061,000	854,851,000	30,756,020	37,476,509	402,276,700	1,063,867,829	4.04
2004	670,963,900	897,611,400	31,817,660	36,817,378	451,149,200	1,186,061,138	4.04
2005	736,951,300	918,939,700	30,793,980	36,827,600	453,198,400	1,270,314,180	4.04
2006	872,835,500	960,854,400	35,607,452	38,600,378	494,984,900	1,412,912,830	4.04

Source: City of Williamsburg Assessor's Office, Commissioner of the Revenue

* Real Estate tax rate was \$.54/\$100, and personal property tax rate was \$3.50/\$100 since 1991.

¹ Includes tax-exempt property

² Motor vehicles are assessed at NADA average loan value as of January 1st each year

Note: Real property in the City of Williamsburg is reassessed every year. Code of Virginia § 58.1-3201 requires that annual assessments of real estate shall be made at 100 percent fair market value. A significant time delay (up to 2 years) is inherent in the annual appraisal process due to continuous sales of like-properties in the City. Recent periods of high-volume sales and rising property values can widen the gap between City assessed values and market values; therefore the estimated actual value of real property in the City is not known.

City of Williamsburg, Virginia
Direct Tax Rates
Last Ten Fiscal Years

Table 7

Fiscal Year Ended June 30,	Real Estate Tax¹	Personal Property Tax¹	Room Tax ²	Meal Tax ²	Retail Sales Tax³
1997	\$0.54	\$3.50	4%	4%	1%
1998	\$0.54	\$3.50	4%	4%	1%
1999	\$0.54	\$3.50	5%	5%	1%
2000	\$0.54	\$3.50	5%	5%	1%
2001	\$0.54	\$3.50	5%	5%	1%
2002	\$0.54	\$3.50	5%	5%	1%
2003	\$0.54	\$3.50	5%	5%	1%
2004	\$0.54	\$3.50	5%	5%	1%
2005	\$0.54	\$3.50	5%	5%	1%
2006	\$0.54	\$3.50	5%	5%	1%

¹ per \$100 assessed value

² Room & Meal tax rates increased to 5% January 1, 1999

³ Collected by State, remitted monthly to City

The City of Williamsburg has no overlapping taxes

**City of Williamsburg, Virginia
Principal Real Estate Property Taxpayers
Current Year and Nine Years Ago**

Table 8

Taxpayers	1997			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Colonial Williamsburg Foundation	\$175,999,000	1	16.32%	\$189,148,900	1	10.32%
Williamsburg Associates LTD	12,380,100	2	1.15%			
T. R. Vermillion	10,594,200	3	0.98%			
Federal Realty Investment Trust	9,812,300	4	0.91%			
Chelsea GCA Realty	7,092,100	5	0.66%			
York Street Inn	6,945,200	6	0.64%			
Woodshire, LTD	6,312,100	7	0.59%	8,261,000	9	0.45%
Patrick Henry Inn	5,084,000	8	0.47%			
Haughwout, Virginia Est	5,048,000	9	0.47%			
Spring Road Apartments	4,892,200	10	0.45%			
Westgate Resorts, LTD				18,057,900	2	0.98%
A Williamsburg Inc.				15,408,900	3	0.84%
Jin, Inc.				10,105,100	4	0.55%
Riverside Healthcare Association				10,094,800	5	0.55%
Maple & Main Redevelopment LLC				10,081,300	6	0.55%
Medalist Properties 5 LLC				9,084,800	7	0.50%
351 York Street LLC				8,545,000	8	0.47%
LTD Associates Two, LLC				7,340,400	10	0.40%

Source: City of Williamsburg Assessor's Office

**City of Williamsburg, Virginia
Property Tax Levies and Collections
Last Ten Fiscal Years**

Table 9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$5,772,139	\$5,568,005	96.46%	\$140,660	\$5,708,665	98.90%
1998	\$5,895,408	\$5,608,446	95.13%	\$223,270	\$5,831,716	98.92%
1999	\$6,242,945	\$5,951,668	95.33%	\$229,874	\$6,181,542	99.02%
2000	\$6,468,264	\$6,258,949	96.76%	\$177,086	\$6,436,035	99.50%
2001	\$6,918,899	\$6,682,605	96.58%	\$199,011	\$6,881,616	99.46%
2002	\$7,272,386	\$7,057,213	97.04%	\$169,391	\$7,226,604	99.37%
2003	\$7,798,362	\$7,592,727	97.36%	\$161,762	\$7,754,489	99.44%
2004	\$8,507,355	\$8,347,049	98.12%	\$131,257	\$8,478,306	99.66%
2005	\$8,865,612	\$8,700,344	98.14%	\$114,840	\$8,815,184	99.43%
2006	\$9,715,684	\$9,573,834	98.54%	n/a	n/a	n/a

Source: City of Williamsburg Assessor's Office

Notes: Property in the City of Williamsburg is reassessed every year. Code of Virginia § 58.1-3201 requires that annual assessments of real estate shall be made at 100 percent fair market value

Estimated actual taxable value is calculated by dividing taxable assessed value by 100%

City of Williamsburg, Virginia
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 10

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Debt Per Capita</u>
	<u>General Obligation Bonds</u>	<u>General Obligation Bonds</u>			
1997	\$3,492,000	\$653,800	\$4,145,800	n/a	\$363
1998	8,770,667	2,553,800	11,324,467	n/a	991
1999	8,016,000	2,420,467	10,436,467	n/a	913
2000	7,228,000	2,287,133	9,515,133	n/a	793
2001	6,440,000	7,933,800	14,373,800	n/a	1,159
2002	12,652,000	7,700,360	20,352,360	n/a	1,615
2003	11,744,000	7,525,173	19,269,173	n/a	1,460
2004	12,131,000	7,237,154	19,368,154	n/a	1,445
2005	19,713,000	6,938,851	26,651,851	n/a	1,989
2006	13,840,821	6,665,050	20,505,871	n/a	1,530

City of Williamsburg, Virginia
Ratios of General Bonded Debt Outstanding,
Last Ten Fiscal Years

Table 11

Fiscal Year	Total General Obligation Bonds	Percentage of Actual Taxable Value¹ of Property	Per Capita²
1997	\$4,145,800	0.527%	\$363
1998	\$11,324,467	1.425%	\$991
1999	\$10,436,467	1.229%	\$913
2000	\$9,515,133	1.089%	\$793
2001	\$14,373,800	1.550%	\$1,159
2002	\$20,352,360	2.088%	\$1,615
2003	\$19,269,173	1.811%	\$1,460
2004	\$19,368,154	1.633%	\$1,445
2005	\$26,651,851	2.098%	\$1,989
2006	\$20,505,871	1.451%	\$1,530

¹ See Schedule 9 for property value data.

² Population data can be found in Table 13

**City of Williamsburg, Virginia
Legal Debt Margin Information,
Last Ten Fiscal Years**

Table 12

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt Limit	\$77,343,123	\$78,697,702	\$79,264,120	\$81,585,650	\$86,396,127	\$90,863,133	\$99,563,530	\$111,742,610	\$120,269,260	\$133,870,500
Total net debt applicable to limit	4,145,800	11,324,467	10,436,467	9,515,133	14,373,800	20,352,360	19,269,173	19,368,154	26,651,851	20,505,871
Legal debt margin	73,197,323	67,373,235	68,827,653	72,070,517	72,022,327	70,510,773	80,294,357	92,374,456	93,617,409	113,364,629
Total net debt applicable to the limit as a percentage of debt limit	5.36%	14.39%	13.17%	11.66%	16.64%	22.40%	19.35%	17.33%	22.16%	15.32%

Legal Debt Margin Calculation for Fiscal Year 2006:

Assessed Value	\$1,338,705,000
Debt Limit (10% of assessed value)	133,870,500
Debt applicable to limit:	
General obligation bonds	20,505,871
Legal debt margin	<u>\$113,364,629</u>

Note: Virginia statute limits bond issuing authority of Virginia cities to 10% of the assessed real estate value.
The above calculation includes all debt secured by the full faith and credit of the City.

**City of Williamsburg, Virginia
Demographic and Economic Statistics,
Last Ten Fiscal Years**

Table 13

Calendar Year	Population	Personal Income (thousands of dollars)²	Per Capita Personal Income²	Public School Enrollment ³	Per Capita Personal Debt	Unemployment Rate¹
1997	11,430	\$1,644,516	\$29,424	7,675	\$363	6.90%
1998	11,430	1,808,310	31,496	7,921	991	5.40%
1999	11,430	1,924,796	32,664	8,155	913	5.60%
2000*	11,998	2,107,283	34,849	8,191	793	4.30%
2001	12,400	2,290,040	37,254	8,407	1,159	5.60%
2002	12,600	2,392,093	38,023	8,553	1,615	7.30%
2003	13,200	2,520,635	38,950	8,959	1,460	8.20%
2004	13,400	2,716,355	40,551	9,402	1,445	7.80%
2005	13,400	n/a	n/a	9,820	1,989	7.60%
2006	13,400	n/a	n/a	10,105	1,530	6.90%

* U. S. Census - all other population figures supplied by Weldon Cooper Center for Public Service (University of VA)

¹ Virginia Employment Commission

² Source - U.S. Dept of Commerce, Bureau of Economic Analysis, Regional Accounts Data -
per capita personal income figures are only available for the City of Williamsburg and neighboring James City County combined;
2005 & 2006 figures are extrapolated from Weldon Cooper statistics.

³ Source - Williamsburg-James City County Public Schools

City of Williamsburg, Virginia
Principal Employers
Current Year and Nine Years Ago

Table 14

<u>Employer</u>	<u>1997</u>			<u>2006</u>		
	<u>Employees¹</u>	<u>Rank</u>	<u>Percentage of total City Employment</u>	<u>Employees*</u>	<u>Rank</u>	<u>Percentage of total City Employment</u>
College of William & Mary	1000+	1	14.29%	1000+	1	20.92%
Colonial Williamsburg Foundation	1000+	2	10.12%	1000+	2	10.37%
Colonial Williamsburg Company	1000+	3	10.12%	1000+	3	10.37%
Williamsburg Community Hospital ²	500 to 999	4	4.46%	500 to 999	4	5.24%
City of Williamsburg	250 to 499	5	0.93%	250 to 499	5	1.22%
Williamsburg Hospitality House	100 to 249	6	0.86%	100 to 249	6	0.96%
Marriott Educational Services Inc.	100 to 249	7	0.86%	100 to 249	7	0.96%
Patrick Henry Inn	100 to 249	8	0.86%	100 to 249	8	0.96%
National Center for State Courts	100 to 249	9	0.86%	100 to 249	9	0.96%
Red Lobster & The Olive Garden	100 to 249	10	0.86%	100 to 249	10	0.96%

¹ includes part-time and seasonal employees

² now Sentara Healthcare-relocated to neighboring York County in August 2006

City of Williamsburg, Virginia
Full-time-Equivalent City Employees by Function/Program
Last Ten Fiscal Years

Table 15

	Full-time-Equivalent Employees as of June 30									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Government										
City Manager	5.0	4.5	4.5	5.0	5.0	4.5	4.0	4.5	4.5	5.5
Clerk of Council	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Commissioner of Revenue	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Registrar	1.5	1.5	1.5	1.5	1.5	2.0	2.0	2.0	1.5	1.5
Assessor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Finance	11.5	11.5	11.5	11.5	12.0	12.0	12.0	11.0	11.0	11.0
Police										
Officers	30.0	30.0	31.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0
Civilians	13.5	13.5	13.5	13.5	13.5	13.5	13.5	15.5	16.0	16.0
Fire										
Firefighters & officers	28.0	28.0	28.0	30.0	31.0	31.0	31.0	31.0	31.0	34.0
Civilians	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Works										
Engineering	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Streets	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Landscape	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0
Shop	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Building Maintenance	0.0	0.0	0.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
Planning	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Code Compliance	3.0	3.0	4.0	4.0	4.0	4.0	4.0	6.0	6.0	6.0
Recreation	8.5	8.5	8.5	9.5	9.5	9.5	9.5	9.5	9.5	9.0
Human Services	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	12.0	12.0
Public Utilities	<u>24.0</u>	<u>24.0</u>	<u>24.0</u>	<u>23.0</u>	<u>23.0</u>	<u>23.0</u>	<u>23.0</u>	<u>23.0</u>	<u>23.0</u>	<u>25.0</u>
Total	<u>167.5</u>	<u>167.5</u>	<u>169.5</u>	<u>177.0</u>	<u>179.5</u>	<u>179.5</u>	<u>180.0</u>	<u>184.5</u>	<u>185.5</u>	<u>191.0</u>

Source: City Finance Department

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

City of Williamsburg, Virginia
Operating Indicators by Function/Program
Last Ten Fiscal Years

Table 16

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Government										
Real estate parcels appraised	3,443	3,461	3,641	3,701	3,828	3,978	4,000	4,204	4,374	4,223
Real estate property transfers	305	302	316	305	367	428	339	527	486	441
Police										
Calls for service	32,443	31,698	34,877	32,673	31,295	36,256	30,285	32,618	29,990	30,727
Moving violations	2,705	2,232	3,338	2,942	3,191	3,238	2,924	2,128	1,672	1,867
Crimes investigated	3,126	3,830	3,563	3,294	3,406	3,744	1,681	1,979	1,770	1,740
Fire										
Emergency fire responses	892	725	723	689	757	629	649	650	625	694
Emergency EMS responses	1,873	1,496	1,666	1,685	1,613	1,655	1,702	1,739	1,692	1,744
Public Works										
Street miles maintained	45	45	54	54	54	54	54	54	54	54
Work orders issued	202	287	321	243	214	239	282	163	246	327
Tons of res. solid waste collected	2,773	2,900	3,061	3,052	3,127	2,922	2,698	3,416	4,205	4,226
Planning										
Subdivision lots approved	70	110	0	82	137	2	0	4	4	60
Site plans processed	18	17	20	8	10	10	10	13	11	20
Code Compliance										
Total permits issued	1,082	1,143	1,326	1,449	1,348	1,112	1,126	2,498	1,244	1,337
Total inspections performed	3,342	3,039	4,250	5,442	5,911	6,889	6,998	10,821	10,326	7,887
Recreation										
Program participants	38,449	37,733	37,723	37,332	32,235	34,292	36,645	31,504	32,126	29,518
Special events participants	8,927	8,204	5,902	6,348	10,748	13,133	17,707	19,131	19,364	20,228
Waller Mill Park attendance*	77,875	94,650	96,815	94,685	156,887	198,480	185,388	96,110	116,261	160,175
Human Services										
Total benefit program cases	797	574	578	567	588	617	705	864	724	729
Total service cases	184	138	147	165	190	179	163	164	206	184
Public Utilities										
Water treated (million gallons)	1244	1288	1328	1284	1398	1271	1260	1254	1217	1290
Water lines/hydrants repaired	69	41	178	157	159	208	201	80	79	62
Sewer lines cleaned/repared	216	148	266	240	246	208	207	113	130	127
Emergency repair responses	284	189	524	598	545	545	529	270	325	403

Source: City operating departments

* Waller Mill Park suffered extensive damage from Hurricane Isabel in Sept., 2003

City of Williamsburg, Virginia
Capital Asset Statistics by Function,
Last Ten Fiscal Years

Table 17

Function/Program	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Government										
Number of buildings	22	24	24	25	26	27	28	28	28	28
Number of parking structures	0	1	1	1	1	1	1	2	2	2
Total number of active vehicles in vehicle replacement plan	69	68	67	69	71	72	75	74	80	72
Public Safety										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of fire stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Miles of streets	45	45	45	45	45	48	48	48	48	48
Number of traffic signals	13	13	13	14	14	14	14	14	14	14
Bridges	4	4	4	4	4	4	4	4	4	4
Education-Regional Schools										
Grades: K - 5	6	6	6	7	7	7	7	7	7	7
Grades: 6 - 8	3	3	3	3	3	3	3	3	3	3
Grades: 9 -12	2	2	2	2	2	2	2	2	2	2
Parks & Recreation										
Number of parks	4	4	4	4	4	4	4	4	4	4
Number of ball fields	6	6	6	6	6	6	6	6	6	6
Number of tennis courts	10	10	10	10	10	10	10	10	10	10
Number of total acres	2,036	2,036	2,036	2,036	2,036	2,036	2,036	2,036	2,036	2,036
Culture										
Number of public libraries (regional)	2	2	2	2	2	2	2	2	2	2
Public Utilities										
Miles of water distribution	40	40	40	40	40	48	48	48	48	48
Number of water tanks	5	5	5	5	5	5	5	5	5	5
Number of pump stations	11	11	11	11	11	11	12	13	14	14

Source: City departments.

City of Williamsburg, Virginia
Net Assets by Component,
Last Five Fiscal Years
(accrual basis of accounting)

Table 1

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities					
Invested in capital assets, net of related debt	\$37,815,608	\$43,829,109	\$48,294,124	\$41,977,081	\$43,724,093
Restricted	13,440,000	-	-	-	-
Unrestricted	12,467,098	22,305,527	20,819,991	30,578,146	32,119,103
Total governmental activities net assets	<u>\$63,722,706</u>	<u>\$66,134,636</u>	<u>\$69,114,115</u>	<u>\$72,555,227</u>	<u>\$75,843,196</u>
Business-type activities					
Invested in capital assets, net of related debt	\$7,674,707	\$8,525,848	\$8,755,781	\$9,720,452	\$9,781,412
Unrestricted	5,073,966	4,916,024	5,790,053	5,143,153	5,454,407
Total business-type activities net assets	<u>\$12,748,673</u>	<u>\$13,441,872</u>	<u>\$14,545,834</u>	<u>\$14,863,605</u>	<u>\$15,235,819</u>
Primary government					
Invested in capital assets, net of related debt	\$45,490,315	\$52,354,957	\$57,049,905	\$51,697,533	\$53,505,505
Restricted	13,440,000	-	-	-	-
Unrestricted	17,541,064	27,221,551	26,610,044	35,721,299	37,573,510
Total primary government net assets	<u>\$76,471,379</u>	<u>\$79,576,508</u>	<u>\$83,659,949</u>	<u>\$87,418,832</u>	<u>\$91,079,015</u>

Note: The City began to report accrual information with implementation of GASB Statement 34 in Fiscal Year 2002

City of Williamsburg, Virginia
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

Table 2
Page 1 of 2

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses					
Governmental activities:					
General government administration	\$2,625,791	\$2,758,568	\$2,950,481	\$3,196,039	\$3,989,006
Judicial administration	293,703	273,154	293,222	308,361	356,257
Public safety	6,224,163	6,563,142	6,933,837	7,475,819	8,011,476
Public works	4,189,199	3,765,655	4,959,412	4,110,492	3,007,234
Health and welfare	1,600,391	1,809,216	1,991,478	2,065,153	2,180,922
Education	6,763,889	6,583,596	6,822,656	6,267,967	6,437,154
Parks, recreation and cultural	1,970,796	2,071,236	2,094,830	2,179,626	2,138,010
Community development	2,911,908	3,135,821	3,259,276	4,853,168	9,168,959
Nondepartmental	86,589	46,163	127,858	17,349	-
Interest expense	290,907	361,125	352,333	396,211	592,688
Total governmental activities expenses	<u>\$26,957,336</u>	<u>\$27,367,676</u>	<u>\$29,785,383</u>	<u>\$30,870,185</u>	<u>\$35,881,706</u>
Business-type activities					
Water and sewer services	\$4,501,762	\$4,098,596	\$3,838,917	\$3,983,571	\$4,230,185
Total business-type activities expenses	<u>4,501,762</u>	<u>4,098,596</u>	<u>3,838,917</u>	<u>3,983,571</u>	<u>4,230,185</u>
Total primary government expenses	<u>\$31,459,098</u>	<u>\$31,466,272</u>	<u>\$33,624,300</u>	<u>\$34,853,756</u>	<u>\$40,111,891</u>
Program Revenues (see Schedule 3)					
Governmental activities:					
Charges for services:					
General government administration*	\$782,709	\$862,919	\$1,027,386	\$1,228,597	\$-
Judicial administration	-	-	-	-	\$142,321
Public safety	465,780	508,864	559,545	582,729	364,959
Public works	136,975	12,071	50,199	11,403	-
Parks, recreation and cultural	291,421	297,674	270,705	316,991	302,835
Community development	58,293	51,694	59,418	58,428	56,566
Operating grants and contributions	3,114,585	3,307,596	4,808,926	3,718,194	5,224,480
Capital grants and contributions	205,859	102,974	102,924	102,922	176,937
Total governmental activities program revenues	<u>\$5,055,622</u>	<u>\$5,143,792</u>	<u>\$6,879,103</u>	<u>\$6,019,264</u>	<u>\$6,268,098</u>
Business-type activities:					
Charges for services:					
Water and sewer	\$4,802,684	\$4,721,388	\$4,890,679	\$4,195,671	\$4,379,515
Total business-type activities program revenues	<u>4,802,684</u>	<u>4,721,388</u>	<u>4,890,679</u>	<u>4,195,671</u>	<u>4,379,515</u>
Total primary government program revenues	<u>\$9,858,306</u>	<u>\$9,865,180</u>	<u>\$11,769,782</u>	<u>\$10,214,935</u>	<u>\$10,647,613</u>

* Beginning in FY 2006 use of property and miscellaneous income are not reported under the program revenues of General government administration.

City of Williamsburg, Virginia
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

Table 2
Page 1 of 2

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Net (Expense)/Revenue					
Governmental activities	(\$21,901,714)	(\$22,223,884)	(\$22,906,280)	(\$24,850,921)	(\$29,613,608)
Business-type activities	300,922	622,792	1,051,762	212,100	149,330
Total primary government net expense	(\$21,600,792)	(\$21,601,092)	(\$21,854,518)	(\$24,638,821)	(\$29,464,278)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
General property taxes	\$6,295,230	\$6,896,200	\$7,574,245	\$7,944,010	\$8,250,312
Sales taxes	4,468,174	3,818,105	4,240,721	4,219,603	4,303,203
Business property taxes	1,246,548	1,279,076	1,254,363	1,259,291	1,143,727
Consumer utility taxes	589,089	665,980	684,702	1,062,031	451,524
Business license taxes	1,634,995	1,655,221	1,639,065	1,757,085	1,789,386
Hotel and room taxes	4,114,010	3,974,894	3,996,782	3,695,937	3,787,611
\$2 lodging taxes	-	-	-	1,582,047	1,595,664
Meals taxes	5,338,967	5,262,677	5,420,516	5,394,509	5,600,162
Other local taxes	611,790	573,598	110,107	910,932	1,457,982
Use of Money & Property	832,461	472,859	965,258	465,369	1,382,832
Gain on sale of capital assets	337,264	37,204	-	1,220	1,082,095
Grants and contributions not restricted to specific programs	-	-	-	-	929,240
Miscellaneous	-	-	-	-	660,148
Transfers	50,000	-	-	-	-
Total governmental activities	25,518,528	24,635,814	25,885,759	28,292,034	32,433,886
Business-type activities:					
Investment earnings	123,220	70,407	52,200	105,671	202,622
Miscellaneous	-	-	-	-	35,517
Total business-type activities	123,220	70,407	52,200	105,671	238,139
Total primary government	\$25,641,748	\$24,706,221	\$25,937,959	\$28,397,705	\$32,672,025
Change in Net Assets					
Governmental activities	\$3,616,814	\$2,411,930	\$2,979,479	\$3,441,113	\$2,820,278
Business-type activities	424,142	693,199	1,103,962	317,771	387,469
Total primary government	\$4,040,956	\$3,105,129	\$4,083,441	\$3,758,884	\$3,207,747

Note: The City began to report accrual information when it implemented GASB Statement 34 in Fiscal Year 2002

City of Williamsburg, Virginia
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 3

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 543,605
Unreserved	<u>13,695,234</u>	<u>17,717,809</u>	<u>13,207,887</u>	<u>14,932,925</u>	<u>17,303,413</u>	<u>25,927,029</u>	<u>22,360,336</u>	<u>20,886,657</u>	<u>30,616,683</u>	<u>31,982,623</u>
Total general fund	<u>13,695,234</u>	<u>17,717,809</u>	<u>13,207,887</u>	<u>14,932,925</u>	<u>17,303,413</u>	<u>25,927,029</u>	<u>22,360,336</u>	<u>20,886,657</u>	<u>30,616,683</u>	<u>32,526,228</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	<u>73,021</u>	<u>105,658</u>	<u>180,070</u>	<u>129,187</u>	<u>117,577</u>	<u>225,323</u>	<u>162,486</u>	<u>141,922</u>	<u>131,239</u>	<u>210,575</u>
Total all other governmental funds	<u>73,021</u>	<u>105,658</u>	<u>180,070</u>	<u>129,187</u>	<u>117,577</u>	<u>225,323</u>	<u>162,486</u>	<u>141,922</u>	<u>131,239</u>	<u>210,575</u>

City of Williamsburg, Virginia
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

(modified accrual basis of accounting)

Table 4
Page 1 of 2

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Revenues										
Taxes	\$18,295,226	18,976,503	\$20,513,619	\$22,253,679	\$22,529,334	\$24,083,697	\$23,993,013	\$25,624,343	\$27,748,415	28,194,199
Licenses, fees, and permits	89,821	75,153	181,131	163,291	267,047	173,985	212,618	305,762	256,662	275,741
Fines and penalties	224,119	249,559	277,745	238,003	253,578	282,664	273,584	254,706	234,157	229,779
Interest earnings	821,605	963,997	825,655	726,379	987,325	877,741	509,695	154,762	464,761	931,410
Charges for services	274,979	322,281	315,841	334,812	319,808	341,113	345,348	317,845	365,026	361,161
Intergovernmental	2,873,786	1,919,385	2,109,082	2,206,669	2,224,003	2,211,804	2,306,054	3,654,043	2,603,923	5,072,198
Other revenues	428,096	406,582	578,475	984,039	1,117,931	1,152,182	1,027,827	1,117,425	1,334,780	1,798,505
Total revenues	23,007,632	22,913,460	24,801,548	26,906,872	27,699,026	29,123,186	28,668,139	31,428,886	33,007,724	36,862,993
Expenditures										
General government	\$1,330,163	\$1,386,301	\$2,078,313	\$1,899,725	\$1,932,875	\$1,952,376	\$2,040,718	\$2,172,065	\$2,290,766	\$2,636,419
Judicial	182,367	196,128	187,551	365,171	275,310	293,703	273,154	293,222	308,361	356,257
Police	2,276,086	2,299,467	2,424,243	2,639,281	2,733,728	2,850,557	2,861,260	3,072,285	3,499,854	3,541,289
Fire	1,797,734	1,850,292	1,830,578	1,965,668	2,114,910	2,150,348	2,216,034	2,335,061	2,531,801	2,741,472
Other public safety	1,503,038	1,047,631	884,229	926,642	842,889	969,896	1,135,888	1,182,040	1,274,946	1,494,849
Public works	2,098,272	2,221,939	2,377,712	2,807,153	2,902,339	3,078,356	2,853,272	4,454,010	3,628,476	3,636,448
Health and welfare	283,204	300,734	325,637	338,187	365,523	372,417	381,610	400,239	418,312	450,930
Education	5,167,459	5,217,086	5,640,109	5,809,163	6,496,149	6,763,889	6,518,691	6,734,071	6,267,967	6,437,154
Parks and recreation	905,045	952,000	972,978	982,119	1,012,865	1,069,304	1,137,105	1,169,003	1,254,125	1,242,389
Library	618,327	590,691	544,720	657,211	616,281	739,744	758,674	752,197	771,595	796,580
Community Development - <i>Note a</i>	1,756,847	1,854,532	1,940,397	2,786,386	2,846,217	2,898,086	2,932,800	2,989,506	4,852,663	4,908,287
Non-departmental	76,780	7,194	77,548	8,085	6,210	97,680	68,644	137,351	33,349	-
Capital projects	7,824,117	6,792,369	9,061,435	2,623,501	2,288,580	3,192,642	7,582,378	5,818,262	3,030,777	5,774,358
Debt Service										
Principal	388,000	721,133	788,000	788,000	788,000	788,000	908,000	5,413,000	918,000	5,872,179
Interest	103,521	367,248	329,230	345,542	323,094	290,907	361,125	352,333	437,444	505,332
Total expenditures	26,310,960	25,804,745	29,462,680	24,941,834	25,544,970	27,507,905	32,029,353	37,274,645	31,518,436	40,393,943
Excess of revenues over (under) expenditures	(3,303,328)	(2,891,285)	(4,661,132)	1,965,038	2,154,056	1,615,281	(3,361,214)	(5,845,759)	1,489,288	(3,530,950)

City of Williamsburg, Virginia
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

(modified accrual basis of accounting)

Table 4
Page 1 of 2

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Other Financing Sources (Uses)										
Bonds issued	\$ -	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 7,000,000	\$ -	\$ -	\$ 8,500,000	\$ -
Refunding bonds issued	-	-	-	-	-	-	-	4,500,000	-	-
Disposal of capital asset	-	-	-	-	-	-	-	-	12,975	-
Sale of capital assets	-	1,168,708	102,100	-	503,109	304,335	123,329	200,000	-	5,068,073
Capital leases	-	-	-	-	-	-	-	-	51,928	-
Transfers in	-	-	239,109	-	-	-	-	32,080	160,835	-
Transfers out	(276,307)	(254,848)	(190,000)	(240,000)	(338,473)	(296,000)	(328,808)	(360,000)	(485,000)	(543,284)
Total other financing sources (uses)	-276,307	6,913,860	151,209	-240,000	164,636	7,008,335	-205,479	4,372,080	8,240,738	4,524,789
Net change in fund balances	(\$3,579,635)	\$4,022,575	(\$4,509,923)	\$1,725,038	\$2,318,692	\$8,623,616	(\$3,566,693)	-\$1,473,679	\$9,730,026	\$993,839
Debt service as a percentage of noncapital expenditures	2.7%	6.1%	5.8%	5.4%	5.0%	4.6%	5.5%	22.4%	5.0%	22.6%

Note a: Beginning in FY 2004 the \$2 per night lodging tax (all passed thru to the Williamsburg Area Destination Marketing Committee) was initiated.

City of Williamsburg, Virginia
Tax Revenues by Source, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 5

Fiscal Year	Property ²	1% Sales & Use	Consumer Utility ¹	Business License	Franchise	Tobacco	Hotel & Motel	\$2 Lodging	Restaurant	Other	Total
1997	\$6,129,994	\$3,403,649	\$395,440	\$1,306,484	\$137,296	\$ -	\$2,967,212	\$ -	\$3,668,177	\$286,974	\$18,295,226
1998	6,117,764	3,527,210	427,959	1,354,180	169,695	-	3,238,538	-	3,890,755	250,402	18,976,503
1999	6,463,440	3,673,944	439,511	1,464,810	163,701	-	3,673,349	-	4,364,758	270,106	20,513,619
2000	6,829,694	3,782,864	473,066	1,535,238	180,902	-	4,097,054	-	5,075,742	279,119	22,253,679
2001	7,140,860	3,720,937	505,987	1,592,792	216,307	-	3,895,420	-	5,114,515	342,516	22,529,334
2002	7,577,391	4,368,379	589,089	1,622,735	194,633	-	4,114,010	-	5,318,886	298,574	24,083,697
2003	8,210,667	3,781,232	665,980	1,641,721	202,360	-	3,974,894	-	5,244,106	272,053	23,993,013
2004	8,869,569	4,210,450	684,702	1,628,458	225,716	305,729	3,996,782	-	5,393,776	309,161	25,624,343
2005	9,241,737	4,219,603	1,062,031	1,749,413	235,196	209,340	3,695,937	1,582,047	5,367,745	385,366	27,748,415
2006	10,039,498	4,303,203	886,388	1,789,386	250,762	184,080	3,787,611	1,595,664	5,600,162	640,764	29,077,518

¹ Wireless telecommunication taxes were initiated in FY 2004 - Significant delinquent telecommunications taxes were received in FY 2005 due to issues relating to jurisdiction identification by telephone companies

² For comparison with prior years, property tax revenues include Personal Property Tax Relief Act receipts of \$830,831 classified beginning in FY 2006 as State funds.

City of Williamsburg, Virginia
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Table 6

Fiscal Year	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate*
	Residential Property	Commercial Property ¹	Motor Vehicles ²	Other			
1997	\$412,293,500	\$666,092,600	\$22,525,109	\$28,881,860	\$342,535,000	\$787,258,069	\$4.04
1998	421,539,200	684,194,200	23,269,900	28,799,939	362,959,500	794,843,739	4.04
1999	436,450,300	728,174,300	24,737,810	31,587,690	371,983,400	848,966,700	4.04
2000	436,041,000	755,666,400	25,016,515	33,013,315	375,706,400	874,030,830	4.04
2001	465,605,100	775,000,400	28,216,550	35,481,423	377,238,400	927,065,073	4.04
2002	493,696,625	803,185,980	29,397,420	37,446,864	388,880,280	974,846,609	4.04
2003	543,061,000	854,851,000	30,756,020	37,476,509	402,276,700	1,063,867,829	4.04
2004	670,963,900	897,611,400	31,817,660	36,817,378	451,149,200	1,186,061,138	4.04
2005	736,951,300	918,939,700	30,793,980	36,827,600	453,198,400	1,270,314,180	4.04
2006	872,835,500	960,854,400	35,607,452	38,600,378	494,984,900	1,412,912,830	4.04

Source: City of Williamsburg Assessor's Office, Commissioner of the Revenue

* Real Estate tax rate was \$.54/\$100, and personal property tax rate was \$3.50/\$100 since 1991.

¹ Includes tax-exempt property

² Motor vehicles are assessed at NADA average loan value as of January 1st each year

Note: Real property in the City of Williamsburg is reassessed every year. Code of Virginia § 58.1-3201 requires that annual assessments of real estate shall be made at 100 percent fair market value. A significant time delay (up to 2 years) is inherent in the annual appraisal process due to continuous sales of like-properties in the City. Recent periods of high-volume sales and rising property values can widen the gap between City assessed values and market values; therefore the estimated actual value of real property in the City is not known.

City of Williamsburg, Virginia
Direct Tax Rates
Last Ten Fiscal Years

Table 7

Fiscal Year Ended June 30,	Real Estate Tax¹	Personal Property Tax¹	Room Tax ²	Meal Tax ²	Retail Sales Tax³
1997	\$0.54	\$3.50	4%	4%	1%
1998	\$0.54	\$3.50	4%	4%	1%
1999	\$0.54	\$3.50	5%	5%	1%
2000	\$0.54	\$3.50	5%	5%	1%
2001	\$0.54	\$3.50	5%	5%	1%
2002	\$0.54	\$3.50	5%	5%	1%
2003	\$0.54	\$3.50	5%	5%	1%
2004	\$0.54	\$3.50	5%	5%	1%
2005	\$0.54	\$3.50	5%	5%	1%
2006	\$0.54	\$3.50	5%	5%	1%

¹ per \$100 assessed value

² Room & Meal tax rates increased to 5% January 1, 1999

³ Collected by State, remitted monthly to City

The City of Williamsburg has no overlapping taxes

**City of Williamsburg, Virginia
Principal Real Estate Property Taxpayers
Current Year and Nine Years Ago**

Table 8

Taxpayers	1997			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Colonial Williamsburg Foundation	\$175,999,000	1	16.32%	\$189,148,900	1	10.32%
Williamsburg Associates LTD	12,380,100	2	1.15%			
T. R. Vermillion	10,594,200	3	0.98%			
Federal Realty Investment Trust	9,812,300	4	0.91%			
Chelsea GCA Realty	7,092,100	5	0.66%			
York Street Inn	6,945,200	6	0.64%			
Woodshire, LTD	6,312,100	7	0.59%	8,261,000	9	0.45%
Patrick Henry Inn	5,084,000	8	0.47%			
Haughwout, Virginia Est	5,048,000	9	0.47%			
Spring Road Apartments	4,892,200	10	0.45%			
Westgate Resorts, LTD				18,057,900	2	0.98%
A Williamsburg Inc.				15,408,900	3	0.84%
Jin, Inc.				10,105,100	4	0.55%
Riverside Healthcare Association				10,094,800	5	0.55%
Maple & Main Redevelopment LLC				10,081,300	6	0.55%
Medalist Properties 5 LLC				9,084,800	7	0.50%
351 York Street LLC				8,545,000	8	0.47%
LTD Associates Two, LLC				7,340,400	10	0.40%

Source: City of Williamsburg Assessor's Office

**City of Williamsburg, Virginia
Property Tax Levies and Collections
Last Ten Fiscal Years**

Table 9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$5,772,139	\$5,568,005	96.46%	\$140,660	\$5,708,665	98.90%
1998	\$5,895,408	\$5,608,446	95.13%	\$223,270	\$5,831,716	98.92%
1999	\$6,242,945	\$5,951,668	95.33%	\$229,874	\$6,181,542	99.02%
2000	\$6,468,264	\$6,258,949	96.76%	\$177,086	\$6,436,035	99.50%
2001	\$6,918,899	\$6,682,605	96.58%	\$199,011	\$6,881,616	99.46%
2002	\$7,272,386	\$7,057,213	97.04%	\$169,391	\$7,226,604	99.37%
2003	\$7,798,362	\$7,592,727	97.36%	\$161,762	\$7,754,489	99.44%
2004	\$8,507,355	\$8,347,049	98.12%	\$131,257	\$8,478,306	99.66%
2005	\$8,865,612	\$8,700,344	98.14%	\$114,840	\$8,815,184	99.43%
2006	\$9,715,684	\$9,573,834	98.54%	n/a	n/a	n/a

Source: City of Williamsburg Assessor's Office

Notes: Property in the City of Williamsburg is reassessed every year. Code of Virginia § 58.1-3201 requires that annual assessments of real estate shall be made at 100 percent fair market value

Estimated actual taxable value is calculated by dividing taxable assessed value by 100%

City of Williamsburg, Virginia
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 10

Fiscal Year	Governmental Activities	Business-type Activities	Total Primary Government	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	General Obligation Bonds			
1997	\$3,492,000	\$653,800	\$4,145,800	n/a	\$363
1998	8,770,667	2,553,800	11,324,467	n/a	991
1999	8,016,000	2,420,467	10,436,467	n/a	913
2000	7,228,000	2,287,133	9,515,133	n/a	793
2001	6,440,000	7,933,800	14,373,800	n/a	1,159
2002	12,652,000	7,700,360	20,352,360	n/a	1,615
2003	11,744,000	7,525,173	19,269,173	n/a	1,460
2004	12,131,000	7,237,154	19,368,154	n/a	1,445
2005	19,713,000	6,938,851	26,651,851	n/a	1,989
2006	13,840,821	6,665,050	20,505,871	n/a	1,530

City of Williamsburg, Virginia
Ratios of General Bonded Debt Outstanding,
Last Ten Fiscal Years

Table 11

Fiscal Year	Total General Obligation Bonds	Percentage of Actual Taxable Value¹ of Property	Per Capita²
1997	\$4,145,800	0.527%	\$363
1998	\$11,324,467	1.425%	\$991
1999	\$10,436,467	1.229%	\$913
2000	\$9,515,133	1.089%	\$793
2001	\$14,373,800	1.550%	\$1,159
2002	\$20,352,360	2.088%	\$1,615
2003	\$19,269,173	1.811%	\$1,460
2004	\$19,368,154	1.633%	\$1,445
2005	\$26,651,851	2.098%	\$1,989
2006	\$20,505,871	1.451%	\$1,530

¹ See Schedule 9 for property value data.

² Population data can be found in Table 13

**City of Williamsburg, Virginia
Legal Debt Margin Information,
Last Ten Fiscal Years**

Table 12

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt Limit	\$77,343,123	\$78,697,702	\$79,264,120	\$81,585,650	\$86,396,127	\$90,863,133	\$99,563,530	\$111,742,610	\$120,269,260	\$133,870,500
Total net debt applicable to limit	4,145,800	11,324,467	10,436,467	9,515,133	14,373,800	20,352,360	19,269,173	19,368,154	26,651,851	20,505,871
Legal debt margin	73,197,323	67,373,235	68,827,653	72,070,517	72,022,327	70,510,773	80,294,357	92,374,456	93,617,409	113,364,629
Total net debt applicable to the limit as a percentage of debt limit	5.36%	14.39%	13.17%	11.66%	16.64%	22.40%	19.35%	17.33%	22.16%	15.32%

Legal Debt Margin Calculation for Fiscal Year 2006:

Assessed Value	\$1,338,705,000
Debt Limit (10% of assessed value)	133,870,500
Debt applicable to limit:	
General obligation bonds	20,505,871
Legal debt margin	<u>\$113,364,629</u>

Note: Virginia statute limits bond issuing authority of Virginia cities to 10% of the assessed real estate value.
The above calculation includes all debt secured by the full faith and credit of the City.

**City of Williamsburg, Virginia
Demographic and Economic Statistics,
Last Ten Fiscal Years**

Table 13

Calendar Year	Population	Personal Income (thousands of dollars)²	Per Capita Personal Income²	Public School Enrollment ³	Per Capita Personal Debt	Unemployment Rate¹
1997	11,430	\$1,644,516	\$29,424	7,675	\$363	6.90%
1998	11,430	1,808,310	31,496	7,921	991	5.40%
1999	11,430	1,924,796	32,664	8,155	913	5.60%
2000*	11,998	2,107,283	34,849	8,191	793	4.30%
2001	12,400	2,290,040	37,254	8,407	1,159	5.60%
2002	12,600	2,392,093	38,023	8,553	1,615	7.30%
2003	13,200	2,520,635	38,950	8,959	1,460	8.20%
2004	13,400	2,716,355	40,551	9,402	1,445	7.80%
2005	13,400	n/a	n/a	9,820	1,989	7.60%
2006	13,400	n/a	n/a	10,105	1,530	6.90%

* U. S. Census - all other population figures supplied by Weldon Cooper Center for Public Service (University of VA)

¹ Virginia Employment Commission

² Source - U.S. Dept of Commerce, Bureau of Economic Analysis, Regional Accounts Data -
per capita personal income figures are only available for the City of Williamsburg and neighboring James City County combined;
2005 & 2006 figures are extrapolated from Weldon Cooper statistics.

³ Source - Williamsburg-James City County Public Schools

City of Williamsburg, Virginia
Principal Employers
Current Year and Nine Years Ago

Table 14

<u>Employer</u>	<u>1997</u>			<u>2006</u>		
	<u>Employees¹</u>	<u>Rank</u>	<u>Percentage of total City Employment</u>	<u>Employees*</u>	<u>Rank</u>	<u>Percentage of total City Employment</u>
College of William & Mary	1000+	1	14.29%	1000+	1	20.92%
Colonial Williamsburg Foundation	1000+	2	10.12%	1000+	2	10.37%
Colonial Williamsburg Company	1000+	3	10.12%	1000+	3	10.37%
Williamsburg Community Hospital ²	500 to 999	4	4.46%	500 to 999	4	5.24%
City of Williamsburg	250 to 499	5	0.93%	250 to 499	5	1.22%
Williamsburg Hospitality House	100 to 249	6	0.86%	100 to 249	6	0.96%
Marriott Educational Services Inc.	100 to 249	7	0.86%	100 to 249	7	0.96%
Patrick Henry Inn	100 to 249	8	0.86%	100 to 249	8	0.96%
National Center for State Courts	100 to 249	9	0.86%	100 to 249	9	0.96%
Red Lobster & The Olive Garden	100 to 249	10	0.86%	100 to 249	10	0.96%

¹ includes part-time and seasonal employees

² now Sentara Healthcare-relocated to neighboring York County in August 2006

City of Williamsburg, Virginia
Full-time-Equivalent City Employees by Function/Program
Last Ten Fiscal Years

Table 15

	Full-time-Equivalent Employees as of June 30									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Government										
City Manager	5.0	4.5	4.5	5.0	5.0	4.5	4.0	4.5	4.5	5.5
Clerk of Council	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Commissioner of Revenue	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Registrar	1.5	1.5	1.5	1.5	1.5	2.0	2.0	2.0	1.5	1.5
Assessor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Finance	11.5	11.5	11.5	11.5	12.0	12.0	12.0	11.0	11.0	11.0
Police										
Officers	30.0	30.0	31.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0
Civilians	13.5	13.5	13.5	13.5	13.5	13.5	13.5	15.5	16.0	16.0
Fire										
Firefighters & officers	28.0	28.0	28.0	30.0	31.0	31.0	31.0	31.0	31.0	34.0
Civilians	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Works										
Engineering	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Streets	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Landscape	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0
Shop	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Building Maintenance	0.0	0.0	0.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
Planning	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Code Compliance	3.0	3.0	4.0	4.0	4.0	4.0	4.0	6.0	6.0	6.0
Recreation	8.5	8.5	8.5	9.5	9.5	9.5	9.5	9.5	9.5	9.0
Human Services	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	12.0	12.0
Public Utilities	<u>24.0</u>	<u>24.0</u>	<u>24.0</u>	<u>23.0</u>	<u>23.0</u>	<u>23.0</u>	<u>23.0</u>	<u>23.0</u>	<u>23.0</u>	<u>25.0</u>
Total	<u>167.5</u>	<u>167.5</u>	<u>169.5</u>	<u>177.0</u>	<u>179.5</u>	<u>179.5</u>	<u>180.0</u>	<u>184.5</u>	<u>185.5</u>	<u>191.0</u>

Source: City Finance Department

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

City of Williamsburg, Virginia
Operating Indicators by Function/Program
Last Ten Fiscal Years

Table 16

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Government										
Real estate parcels appraised	3,443	3,461	3,641	3,701	3,828	3,978	4,000	4,204	4,374	4,223
Real estate property transfers	305	302	316	305	367	428	339	527	486	441
Police										
Calls for service	32,443	31,698	34,877	32,673	31,295	36,256	30,285	32,618	29,990	30,727
Moving violations	2,705	2,232	3,338	2,942	3,191	3,238	2,924	2,128	1,672	1,867
Crimes investigated	3,126	3,830	3,563	3,294	3,406	3,744	1,681	1,979	1,770	1,740
Fire										
Emergency fire responses	892	725	723	689	757	629	649	650	625	694
Emergency EMS responses	1,873	1,496	1,666	1,685	1,613	1,655	1,702	1,739	1,692	1,744
Public Works										
Street miles maintained	45	45	54	54	54	54	54	54	54	54
Work orders issued	202	287	321	243	214	239	282	163	246	327
Tons of res. solid waste collected	2,773	2,900	3,061	3,052	3,127	2,922	2,698	3,416	4,205	4,226
Planning										
Subdivision lots approved	70	110	0	82	137	2	0	4	4	60
Site plans processed	18	17	20	8	10	10	10	13	11	20
Code Compliance										
Total permits issued	1,082	1,143	1,326	1,449	1,348	1,112	1,126	2,498	1,244	1,337
Total inspections performed	3,342	3,039	4,250	5,442	5,911	6,889	6,998	10,821	10,326	7,887
Recreation										
Program participants	38,449	37,733	37,723	37,332	32,235	34,292	36,645	31,504	32,126	29,518
Special events participants	8,927	8,204	5,902	6,348	10,748	13,133	17,707	19,131	19,364	20,228
Waller Mill Park attendance*	77,875	94,650	96,815	94,685	156,887	198,480	185,388	96,110	116,261	160,175
Human Services										
Total benefit program cases	797	574	578	567	588	617	705	864	724	729
Total service cases	184	138	147	165	190	179	163	164	206	184
Public Utilities										
Water treated (million gallons)	1244	1288	1328	1284	1398	1271	1260	1254	1217	1290
Water lines/hydrants repaired	69	41	178	157	159	208	201	80	79	62
Sewer lines cleaned/repared	216	148	266	240	246	208	207	113	130	127
Emergency repair responses	284	189	524	598	545	545	529	270	325	403

Source: City operating departments

* Waller Mill Park suffered extensive damage from Hurricane Isabel in Sept., 2003